

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. No. 250-17-18 by submitting a communication from Frank and Mary Koczan regarding the expansion of the Sheboygan's tax base and the impact of the Armory upon that expansion

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: January 18, 2018 **MEETING DATE:** January 22, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS: The Common Council has authorized staff to issue a request for proposals for the redevelopment of the Sheboygan Armory. These proposals were due on January 3, 2018. Six proposals were received. Four proposals to redevelop the site and two proposals to save and repurpose the Armory. A task force will be meeting to review the proposals and make a recommendation to the Common Council. At that time, it is up to the Common Council to decide how to proceed.

STAFF COMMENTS:

At the time of submittal of this letter, Mr. and Mrs. Koczan were directed by city staff to submit a proposal through the Request for Proposal process.

ACTION REQUESTED:

Motion to recommend to the Common Council to file R.O. No. 250-17-18, submitting a communication from Frank and Mary Koczan regarding the expansion of the Sheboygan's tax base and the impact of the Armory upon that expansion.

ATTACHMENTS:

- I. R.O. 250-17-18.

II

R. O. No. 250 - 17 - 18. By CITY CLERK. December 18, 2017.

Submitting a communication from Frank and Mary Koczan regarding the expansion of Sheboygan's tax base and the impact of the Armory upon that expansion.

*Anna
Personal*

CITY CLERK

Frank & Mary Koczan
2829 Erie Ave.
Sheboygan WI 53081

December 13, 2017

Alderspersons
City of Sheboygan Common Council
814 Center Ave.
Sheboygan WI 53081

We are writing to ask you to include the topic of "the expansion of Sheboygan's tax base and the impact of the Armory upon that expansion" be included on the agenda for the meeting of the Common Council scheduled for Monday December 18, 2017.

We are making this request at the instructions of a City Clerk employee who identified herself as Meredith. Her instructions told us that we needed to submit documents for consideration. We have included those documents with this letter and hand delivered them to the Clerk's office.

These documents include several maps that focus on the "Innovation District" proposed for Indiana Avenue. The recent articles in the Sheboygan Press regarding this Innovation District as well as subsequent news of the expansion of the business park on Sheboygan's south side by "hundreds of acres" was the stimulus for our request to put this matter on the agenda.

Along with these maps, we submit this letter containing the following rationales for making such a request.

First, it is undeniable that any city needs to expand its tax base and Sheboygan has done an admirable job. If you refer to planning documents, especially the planning newsletters and the plans for the City for the next decade, you will see that there is significant expansion of the tax base that has already been accomplished, is in process and is planned for the future.

In particular, the Indiana Avenue Innovation District (featured in the Sheboygan Press), which describes development along Indiana Avenue from 11th Street to the lake front and includes development of the former Pent-Air company property shows a very significant increase in the acres of land that will be developed. The footprint of the Armory is only 2.6 acres (by my calculations) and when it is illustrated on the maps of the Innovation District, is seen to represent a very small, if not insignificant portion of the tax base expansion.

Further, when that footprint of the Armory (to scale) is imposed upon a rectangle representing a 200 acre proposed expansion of the business park (to the same scale) it truly illustrates that the Armory's contribution to the expanded tax base is insignificant.

Second, there are reasons to preserve the Armory as a venue. Despite assertions that the Armory duplicates other venues, a critical look at those venues will show that that is not so. The new "Encore" pavillion is an outdoor venue and the Armory is an indoor venue – a critical consideration given our climate. The assertion that we already have an indoor venue at the Stephanie Weill theatre overlooks the fact that it is fitted with upholstered seats and carpeted aisles. It is not what casual, informal audiences expect when they attend a rock music or country music concert. Such audiences want to stand, move close to the stage and perhaps even dance. In other words, the Armory is the venue that suits these events and the audiences they will attract.

Moreover, Chad Pelishek declared that the building IS structurally sound despite a leaking roof and boarded-up windows. It is, after all, a cast concrete building. In that respect, it must be remembered that it was built in 1941 as a project of the WPA (Works Projects Administration) and as such is a symbol of the United States' resilience and resourcefulness in overcoming the challenges of the Great Depression. The value of this symbol grows in importance as each successive generation is removed from that traumatic time.

On a personal note, our parents lived through the Depression and shared their experiences with us. However, our children never heard their stories and their children are even less likely to be aware that there was a Great Depression at all. The Armory is an inspiring symbol of when America demonstrated its greatness in the face of terrible adversity.

The Armory should be spared from demolition. It has the potential to be developed into an attraction that makes Sheboygan a destination, but more than that, and it represents a link to our past and our heritage. Its value is much more than tax revenue. Its value is beyond measure. It is said that there are people who know the price of everything and the value of nothing. Let us not be guilty of that charge.

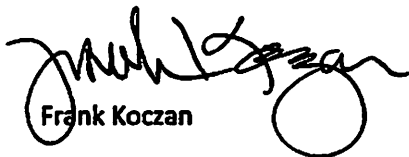
In closing, we want you to consider these two scenarios.

First, for every person who comes to the Antiques Roadshow with an item that they got dirt cheap or even picked out of a dumpster only to have it appraised in the tens of thousands of dollars, there is another person who let that item go or threw it away and now slaps their forehead in anguish saying "Oh, for dumb!"

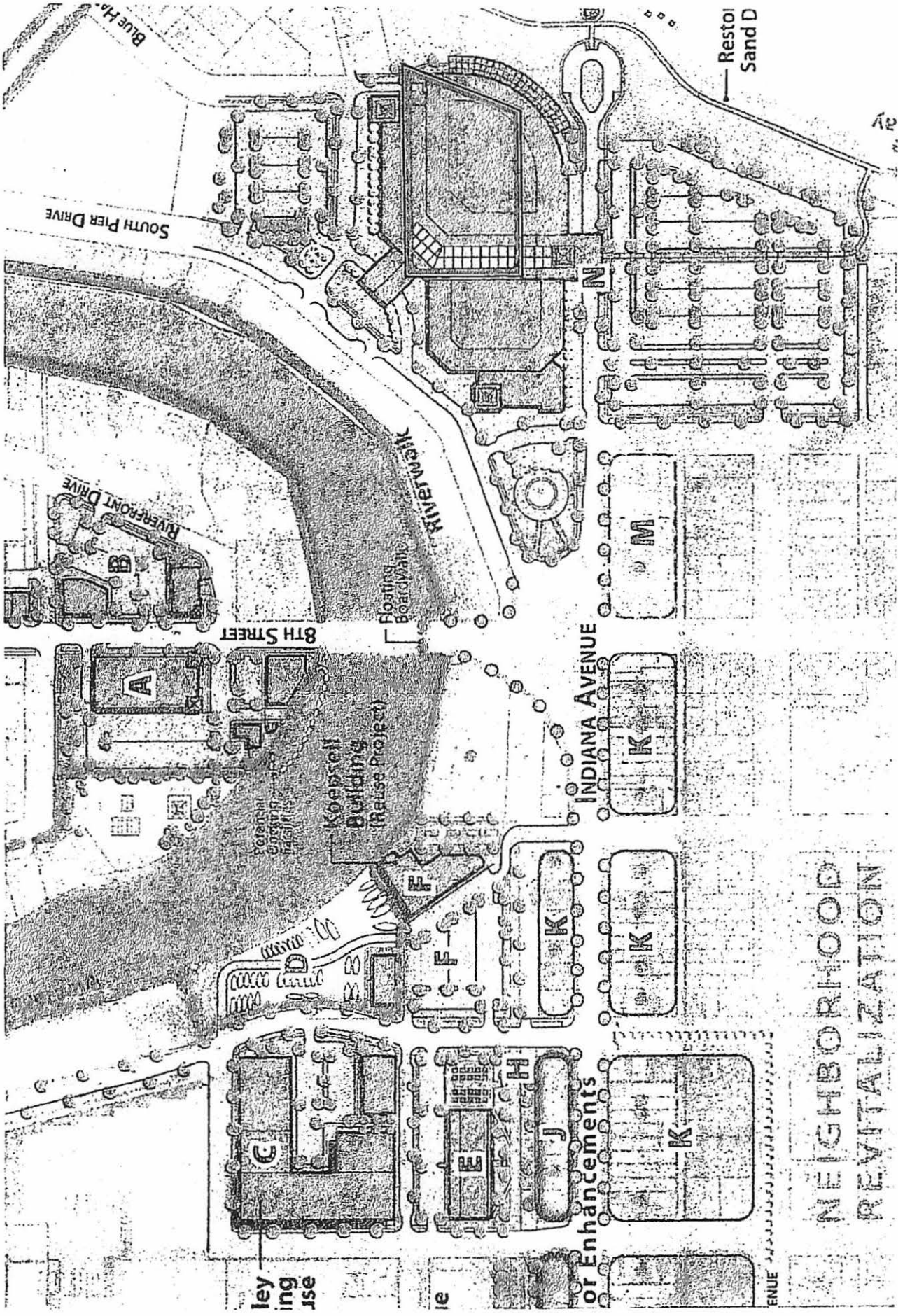
Then there are the Atlanta Falcons - 25 years ago this year - who didn't realize what an asset they had in Brett Favre. They traded Favre to the Packers for a 19th overall draft pick in 1992. For that pick they drafted a running back - Tony Smith - whose entire NFL career consisted of 329 total yards rushing and two TDs. In perspective, that might have been a single game's output for Favre. We can be sure that they are filled with regret and anguish every time they think about that ill-considered trade.

Let's not repeat their sad histories. Let's not subject ourselves to the same anguish and regret.

Respectfully,


Frank Koczan


Mary Koczan



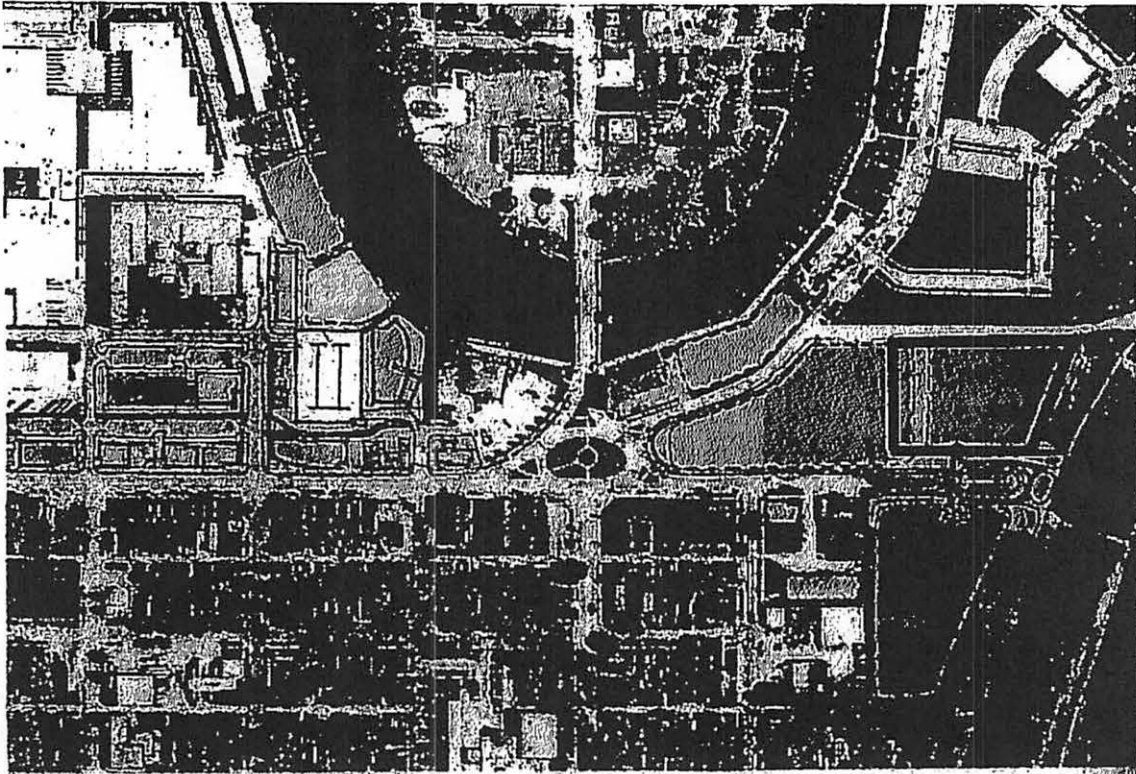
NEIGHBORHOOD
REVITALIZATION

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ENUE



Innovation District potential layout along Indiana Avenue in Sheboygan PHOTO

2.6 ACRES

200 ACRES

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 122-17-18, a resolution authorizing the issuance of the City of Sheboygan's 2018 community survey

REPORT PREPARED BY: Darrell Hofland, City Administrator

REPORT DATE: December 6, 2017

MEETING DATE: January 22, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

In anticipation of the Common Council's update to the Strategic Plan's 2019 - 2020 Action Items and Critical Measures and development of the 2019 Executive Budget, it is appropriate for the Common Council to ask citizens to provide feedback via a survey regarding city services. This is consistent with the 2017 - adopted Citizen Engagement Program.

In July 2016, the city conducted a comprehensive community survey which assisted the Common Council in the development of its 2017 – 2021 Strategic Plan.

STAFF COMMENTS:

City staff is recommending that a comprehensive survey be conducted once every three years as the city reviews its strategic plan. In the interim years, i.e. 2017 and 2018, the city would administer a more limited survey. The more limited survey would focus on questions regarding quality of city services and city departments.

Attached is a draft of the 2018 community survey for your consideration. The questions are the same as administered via the 2017 community survey with the following exceptions; the addition of questions 18 and 19 associated with the city's current logo and brand, question 21 to capture the respondent's age, question 23 to provide feedback in preparation for the update of 2019 and 2020 Action Items and Critical Measures, and the revision to question 24 to accommodate feedback received from Alderperson Lewandowske.

Also attached is an outline of the city's outreach plan to market the survey in order to increase citizen participation.

The survey will be available to citizens through an on-line survey service in March. Printed surveys will be available at the Mead Public Library, the Senior Activity Center and City Clerk's office for citizens that are unable to access the survey on-line.

ACTION REQUESTED:

Motion to recommend the Common Council to approve Res. No. 122-17-18 authorizing the issuance of the City of Sheboygan's 2018 community survey


ATTACHMENTS:

- I. Community survey
- II. Community survey outreach plan
- III. Res. No. 122-17-18, a resolution authorizing the issuance of the community survey.

2018 City of Sheboygan Community Survey Questions

- 1. Which of the following best describes your opinion of the general quality of life in the City of Sheboygan? (Excellent, Good, Fair, Poor options)**
- 2. In your opinion, in which direction is the city headed? (Improving, Declining, Steady options)**
- 3. How do you think the City of Sheboygan is doing in each of the following areas? (Excellent, Good, Fair, Poor options)**
 - Overall performance
 - Managing the taxpayer's money
 - Keeping citizens informed
 - Delivering services efficiently
 - Focusing on the priorities that matter most to residents.
- 4. Using the list of services and functions provided by the city, please indicate how important each city function is to you and your household; (Ranking response – Very Important, Important, Neutral, Not Important)**
 - Activities for residents 55 years and older
 - Attracting and keeping businesses in Sheboygan
 - Availability of sidewalks and walking paths
 - Availability of bike lanes/paths
 - City parks
 - Community events
 - Drinking water
 - Emergency medical services
 - Fire services
 - Leaf pick-up
 - Library services
 - Overall city administration
 - Pedestrian safety
 - Police services
 - Protecting our natural environment
 - Public access to Lake Michigan
 - Public transit services
 - Recycling and garbage collection
 - Residential yard waste
 - Services for people in need
 - Street cleaning
 - Street maintenance/pavement
 - Street tree maintenance

- Support for the neighborhoods
 - Support for the arts in the community
 - WSCS-Cable TV (city owned station)
 - Zoning and land use
5. **Using the same list, please indicate how well you think the city is doing in each area.** (Excellent, Good, Fair, Poor, No Opinion options)
6. **How would you rate the overall services received from the following departments?** (Excellent, Good, Fair, Poor, No Opinion options)
- Building Inspection
 - City Administrator's Office
 - City Attorney's Office
 - Common Council
 - Property Assessment
 - Finance
 - Fire
 - Human Resources
 - Housing Authority
 - Information Technology
 - Mayor's Office
 - Mead Public Library
 - Municipal Court
 - Planning and Development
 - Police
 - Public Works
 - Senior Activity Center
 - Shoreline Metro
 - Water Utility
7. **Which of the following, if any, do you use for information about the City of Sheboygan? Check all that apply.** (Variable responses)
- City website
 - Mayor's Blog
 - Mead Public Library website
 - Mead Public Library Facebook
 - Mead Public Library Instagram
 - Mead Public Library lobby bulletin board
 - Mead Public Library Twitter
 - Mead Public Library YouTube
 - Police Department website
 - Police Department Facebook
 - Water Utility website

- Water Utility Facebook
 - Shoreline Metro website
 - Shoreline Metro Facebook
 - Sheboygan Press
 - Sheboygan Sun
 - Plymouth Review – The Beacon
 - WSCS – Cable Television Channel (city owned station)
 - WSCS website
 - WSCS Facebook
 - WSCS Twitter
 - WHBL – Radio
 - Twitter
 - Nextdoor.com (neighborhood social networking website)
 - Neighborhood Association meetings
 - MySheboygan.com
 - Other (please specify)
8. **The cost of providing city services continues to rise due to a number of factors. Those city services can be paid through property taxes, direct user fees and charges or a combination of both. How would you prefer the City to address rising costs? (Please choose only one)**
- (Increase property taxes-do not increase user fees
 - Use a combination of increased property taxes and user fees and charges
 - Increase user fees and charges – do not increase property taxes
 - Cut services
 - No opinion
9. **The city is refreshing its current brand. This could involve a change in the city’s logo. The current logo used by the City of Sheboygan is the following graphic:  and the slogan “Spirit on the Lake”.**
- When considering the current logo and the current brand, please rate your level of satisfaction of these two items. (Very satisfied, Somewhat satisfied, Somewhat dissatisfied, Very dissatisfied, No Opinion options)**
10. **In your opinion, what item do you consider to be the City of Sheboygan’s most important asset that should be highlighted with an updated logo and refreshed brand? (Respondent provides answer)**
11. **What is your age?**
- 18-25 years
 - 26-35 years
 - 36-45 years
 - 46-55 years
 - 56-65 years

- 66-75 years
- 76 years and older

12. How long have you lived in Sheboygan?

- <2 years
- 2-5 years
- 6-10 years
- 11-25 years
- 25+ years
- I am not a city resident

13. The city is reviewing its list of critical projects and potential new initiatives for implementation in 2018 and 2019. Please share with us any projects or initiatives that you would like the city to pursue in 2018 or 2019.
(Respondent provides answer)

14. Please share with us any other comments about city government and related services/projects you wish to make. (Respondent provides answer)

15. Thank you for taking the time to complete the 2018 Community Survey. If you would like a chance to win a \$100.00 Sheboygan County Chamber Cash Gift certificate.

2018 City of Sheboygan Strategic Plan Community Survey Outreach Plan

<u>Outreach Venue</u>	<u>Audience Reached</u>
Survey Banner and Link on City webpage	2,500 visits per month
Sheboygan Insider newsletter / Mayor's Blog	500 subscribers
11 x 17 ads inside 21 fixed route Shoreline Metro Buses	1,000 monthly riders
Shoreline Metro Transfer Station Electronic Monitor	500 monthly visitors
Police Department/Shoreline Metro Facebook page	9,137 followers
Police Department Nixle	1,602 followers
Police Department and City Twitter account	7,476 followers
Nextdoor	3,232 followers
City Fountain Park and Lakefront electronic signs	1,000 cars per month
Senior Activity Center – computer assistance/hard copies	114 average daily visitors
Mead Public Library – Website, Facebook, Instagram, Twitter, YouTube lobby bulletin board, computer assistance and hard copies	26,000 visits per month
WSCS – Website, Facebook, Twitter and cable exposure	300 visits per month
Water Utility Bills – notation on bills and Facebook	15,000 households
Sheboygan Squared Community business contacts	Various
Sheboygan Area School District electronic signs	6 signs
Hmong Radio Station/Hmong Mutual Assistance Association	1,000 patrons
Hispanic Information Center	Various
Sheboygan County Chamber of Commerce	2,350 member contacts per week
John Michael Kohler Art Center	Various
Sheboygan County Economic Development Corporation	Various
Local radio, newspapers and social media	Various
Local Churches/Parishes/Businesses	Various

III

Res. No. 122 - 17 - 18. By Alderperson Bohren. January 2, 2018.

A RESOLUTION authorizing the Office of the City Administrator to proceed with issuance of the City of Sheboygan 2018 community survey.

WHEREAS: The Office of the City Administrator has identified the need to issue the 2018 community survey in anticipation of the Common Council's update of the 2017 - 2021 Strategic Plan Action Items and Critical Measures, review of the 2018 Executive Budget, and review of progress in meeting goals of the Strategic Plan.

WHEREAS: The survey will be available to citizens by an on-line survey service, Mead Public Library, City Clerk's office and Senior Activity Center.

RESOLVED: That the Office of the City Administrator is hereby authorized to issue the City of Sheboygan 2018 community survey.

Handwritten signature

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

CITY OF SHEBOYGAN

ITEM FOR FINANCE & PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Gen. Ord. No. 34-17-18: an ordinance re-establishing the salary schedule for certain designated elected officials.

REPORT PREPARED BY: Chuck Adams, City Attorney

REPORT DATE: January 18, 2018

MEETING DATE: January 22, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: §82-61

BACKGROUND / ANALYSIS:

§82-61 of the Sheboygan Municipal Code requires this committee (as the direct descendant of the Committee on Salaries and Grievances) to recommend for Common Council approval the initial salary for all full-time elective positions and any and all in-term increases for same at least 13 months prior to the election date for each office. The election date for Municipal Court Judge, the City Attorney, and the City Clerk is April 2, 2019, meaning the recommendation must be made no later than March 2, 2018.

The ordinance also provides that the Common Council shall act on such recommendations and establish the salaries for full-time elective positions not later than the final meeting of the council year preceding the year of election. That meeting will be March 19, 2018.

This ordinance provides that each of the elected officials involved shall receive a two percent salary increase. This is consistent with the increase provided to non-represented employees for 2018. While it is uncertain what the non-represented employees will receive for salary increases in the following years, two percent is consistent with the increases granted non-represented employees over the past several years.

STAFF COMMENTS:

The ordinance requested is presented for your approval.

ACTION REQUESTED:

Motion to recommend the Common Council approve Gen. Ord. No. 34-17-18 re-establishing the salary schedule for certain designated elected officials.

ATTACHMENTS:

- I. Gen. Ord. No. 34-17-18

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Gen. Ord. No. 34 - 17 - 18.

By Alderpersons Donohue and Bohren.
January 2, 2018.

AN ORDINANCE re-establishing the salary schedule for certain designated elected officials.

THE COMMON COUNCIL OF THE CITY OF SHEBOYGAN DO ORDAIN AS FOLLOWS:

Section 1. The following salary schedule is hereby established for the elected part-time Municipal Court Judge, effective the first payday in May each year:

2019	2.0% increase	\$44,163
2020	2.0% increase	\$45,046
2021	2.0% increase	\$45,947
2022	2.0% increase	\$46,866

Section 2. Part-Time elected officials can engage in outside business activities during normal City Hall office hours.

Section 3. This is a limited hour position; benefit eligibility is limited to WRS contributions only.

Section 4. The following salary schedule is hereby established for the elected full-time City Attorney and City Clerk, effective the first payday in May each year:

City Attorney	City Clerk
2019 2.0% increase \$121,351	2019 2.0% increase \$87,050
2020 2.0% increase \$123,778	2020 2.0% increase \$88,791
2021 2.0% increase \$126,254	2021 2.0% increase \$90,567
2022 2.0% increase \$128,779	2022 2.0% increase \$92,378

Section 5. Full-time elected officials shall not engage in any outside business activities during normal City Hall office hours.

Section 6. Health insurance premium contribution will be consistent with the non-represented employees.

Finance + Personnel

Section 7. All ordinances or parts thereof in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict, and this ordinance shall be in effect from and after its passage and publication.

Mylynn Nowlin
James A. Bohrer

I HEREBY CERTIFY that the foregoing Ordinance 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

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. No. 264-17-18, submitting a request from Chad Pelishek, Director of Planning and Development, requesting the use of the three days of the City's free Blue Harbor Conference Center days to host the 2018 State of Wisconsin Building Inspector's annual state conference on April 18-20, 2018.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: January 18, 2018 **MEETING DATE:** January 22, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS: The City of Sheboygan building inspectors are on the planning committee for the upcoming annual conference. In 2018, the conference will be Sheboygan. The request to dedicate three of the city's free days towards this event. Having events like this in Sheboygan is the reason for the free conference center days and allows Sheboygan to be showcased.

STAFF COMMENTS:

None

ACTION REQUESTED:

Motion to recommend to the Common Council to approve R.O. No. 264-17-18, requesting the use of three days of the City's free Blue Harbor Conference Center days to host the 2018 State of Wisconsin Building Inspector's annual state conference on April 18-20, 2018.

ATTACHMENTS:

- I. R.O. No. 264-17-18.

II

3.2

R. O. No. 264 - 17 - 18. By DIRECTOR OF PLANNING & DEVELOPMENT.
January 15, 2018

Submitting a request from Chad Pelishek, Director of Planning and Development, requesting the use of three days of the City's free Blue Harbor Conference Center days to host the 2018 State of Wisconsin Building Inspector's annual state conference on April 18-20, 2018.

*Tinaneet
Personal*

Director of Planning & Development

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 123-17-18 by Alderperson Donohue and Bohren, authorizing payment of \$53,940 to the Northwestern Lake Michigan Service Area for the purchase of wetland credits for the Sheboygan Business Park expansion.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: January 18, 2018 **MEETING DATE:** January 22, 2018

FISCAL SUMMARY:

Budget Line Item: \$53,940
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS: As part of the expansion of the Sheboygan business a wetland permit was requested from the Wisconsin Department of Natural Resources (DNR). In order to proceed with obtaining this permit, 0.6 acres of wetlands will need to be filled to allow for construction of the infrastructure. Under State law, in order to fill wetlands, either new wetlands need to be created or wetland credits in the same watershed can be purchased in other areas that have wetland mitigation banks. Working with the DNR, the most cost effective location for the city to purchase credits is through the Northwestern Lake Michigan Service Area. The cost to purchase the equivalent of 0.6 acres of credits is \$53,940

STAFF COMMENTS:

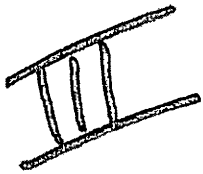
To allow for construction to happen during the 2018 construction season, city staff recommends the purpose of these credits in order to obtain the wetland permit. This cost is eligible through the tax incremental district.

ACTION REQUESTED:

Motion to recommend to the Common Council to approve Res. No. 123-17-18, authorizing payment of \$53,940 to the Northwestern Lake Michigan Service Area for the purchase of wetland credits for the Sheboygan business park expansion.

ATTACHMENTS:

- I. Res. No. 123-17-18



Res. No. 123 - 17 - 18. By Alderpersons Donohue and Bohren. January 15, 2018.

A RESOLUTION authorizing payment of \$53,940 to the Northwestern Lake Michigan Service Area for the purchase of wetland credits for the Sheboygan Business Park expansion.

WHEREAS, in order to proceed with obtaining a permit from the Wisconsin Department of Natural Resources, the city will need to purchase wetland credits to make up for the proposed filling of 0.6 acres of wetlands as it relates to the business center project.

WHEREAS, the wetland credit fees are eligible under the Tax Incremental District 18.

RESOLVED: That the appropriate City Officials are hereby authorized to enter into contract with Northwestern Lake Michigan Service Area for \$53,940 and draw orders on Account Number 407661100-521900 in payment of same.

By Lynne Wheeler

Aldy

Finance + Personnel

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

Please Remit To:
DNR ACCOUNTS RECEIVABLE
STATE OF WISCONSIN
PO BOX 78816
MILWAUKEE WI 53278-0816



INVOICE
State of Wisconsin
Dept of Natural Resources

Bill To:

000001
CITY OF SHEBOYGAN
CHAD PELISHEK
828 CENTER AVENUE STE 104
SHEBOYGAN WI 53081-4466

Invoice No: 370-0000007111
Invoice Date: 1/9/18
Page: 1 of 1

Customer Number: MUNI000219
Payment Terms: NET30
Due Date: 2/8/18

AMOUNT DUE: 53,940.00 USD

Amount Remitted

For billing questions, please call

Line	Identifier	Description	Project	Quantity	UOM	Unit Amt	Original Net Amount
1		WWCT - 0.87 Adv Cr - Admin	370000000000 015	1.00		5,394.00	5,394.00
2		WWCT - 0.87 Adv Cr - Contingen	370000000000 015	1.00		2,697.00	2,697.00
3		WWCT - 0.87 Adv Cr - NWLkMich	370000000000 015	1.00		45,849.00	45,849.00
Subtotal:							53,940.00
Amount Due:							53,940.00

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. No. 253-17-18 by City Clerk. Submitting a communication from Senior Community to request relief and assistance from the City of Sheboygan with respect to an issue arising out of a Development Agreement between SSC and the City, which was dated April 27, 2006.

REPORT PREPARED BY: Nancy Buss, Finance Director

REPORT DATE: January 18, 2018

MEETING DATE: January 22, 2018

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The Common Council entered into a development agreement with Sheboygan Senior Community Inc on April 27, 2006 providing financial assistance to the developer through development incentives in TID 13 for the construction of senior housing condominium units. The development agreement required construction commence in 2006 within three months of approval of the Plans and Specifications by the City, and completion within 18 months of commencement.

The development incentives in the agreement are:

- "After the Tax Incremental Value of the Project as determined by the Wisconsin Department of Revenue (WDOR), has exceeded a minimum of \$5,000,000, the City agrees to provide to the Developer a grant in the amount of twenty percent (20%) of the Tax Incremental Value of the completed Project as established by the WDOR, not to exceed a total grant of \$2,500,000, as an inducement to Developer for the development of the Project. The grant will be provided to the Developer as follows:
- Each year for a maximum period of ten (10) years, commencing in 2008, the City will pay to the Developer a development incentive in an amount equal to ninety percent (90%) of the Tax Increment Revenue received by the City with respect to the Property in that year, provided that the Tax Incremental Value of the Project is in excess of \$5,000,000 on January 1 of the previous year. The City shall make the payment due to the Developer, if any, under this Section 5.1 no later than September 30 of each year, commencing in 2008. The development incentives payable under this Section 5.1 are subject to adjustment as provided in Section 6.1(A) of this Agreement."

STAFF COMMENTS:

The developer did not qualify for a payment in 2008, Per Attorney McLean, "As such, while the first qualifying year for payment is 2009, the City is only obligated to make nine annual payments at most because no payment was due under the formula contained within the Development Agreement for 2008."

ACTION REQUESTED:

Motion to recommend the Common Council file R. O. No. 253-17-18, a communication from Sheboygan Senior Community to request relief and assistance from the City of Sheboygan with respect to an issue arising out of a Development Agreement between SSC and the City, which was dated April 27, 2006.

ATTACHMENTS:

I. R. O. No. 253-17-18

II

3.2

R. O. No. 253 - 17 - 18. By CITY CLERK. December 18, 2017.

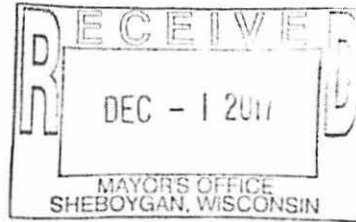
Submitting a communication from Sheboygan Senior Community to request relief and assistance from the City of Sheboygan with respect to an issue arising out of a Development Agreement between SSC and the City, which was dated April 27, 2006.

Finance +
Personnel

CITY CLERK

Sheboygan
Senior
Community

Short Term Rehab • Assisted Living
Skilled Nursing Care



November 28, 2017

Mayor Michael Vandersteen
828 Center Ave, Suite 301
Sheboygan, WI 53081

Alderman Andrew Ross
310 St. Claire Ave.
Sheboygan, WI 53081

Alderman Todd Wolf
Common Council President
523 Columbus Drive
Sheboygan, WI 53081

Dear Mayor Vandersteen, Alderman Ross and Alderman Wolf:

As president of the Board of Directors of Sheboygan Senior Community, Inc. ("SSC"), I write to request relief and assistance from the City of Sheboygan (the "City") with respect to an issue arising out of a Development Agreement between SSC and the City, which was dated April 27, 2006 (the "Development Agreement"). While I know you may be familiar with the situation, I will provide some background in further explanation.

Prior to April, 2006, SSC acquired real property within the boundaries of Tax Incremental District 13 (TID 13) to develop a four-story residential condominium building consisting of approximately 70 senior housing units at an estimated cost of \$12,500,000 (the "Project"). In order to undertake and complete this Project with the resulting tax producing revenue for the City, SSC required financial assistance from the City in the form of incentive payments based on the incremental tax revenue in TID 13 resulting from the completion of the Project. Against this backdrop, the Development Agreement was executed. The Development Agreement called for an annual incentive payment based on 90% of the revenue from the tax increment over and above a base of \$294,400.00 ("Tax Increment Revenue"). This annual payment was to continue for a maximum period of ten 10 years and up to a maximum aggregate of \$2,500,000.00. I can tell you that the Board and management of SSC absolutely believed SSC would receive 10 payments since the project was certain to be completed in early 2007.

JW

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The Project was moving to completion in early 2007, when the actions of an arsonist substantially damaged/destroyed the Project. Despite the adversity and complexity created by this event, SSC persevered to complete the Project.

Several years later, SSC was informed by the State of Wisconsin that it would be required to make very expensive improvements to its existing assisted living and nursing home structure (the "Structure"), adjacent to the Project. After much deliberation, it was determined that making such expensive improvements to the Structure, given its age and the dramatically changing demographics of the population served by the Structure, was not economically feasible. An exhaustive search began, with first thoughts to build near the Project or within the city limits. Unfortunately, those site opportunities could not be found and a site on the corner of County Y and Mueller Road was selected. And, as you know, SSC ultimately sold the existing structure to The Founders Club, who converted it to dormitory style housing and has placed it back on the tax rolls for the first time since before 1970. While we have moved our assisted living and senior nursing operations outside of Sheboygan, we maintain a contractual/historical commitment to Landmark Square.

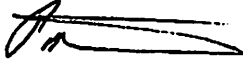
Fast-forward to 2017 and after inquiries with the City Finance Director, SSC learned that it would not be receiving one additional payment-the 10th payment. We were told that the Development Agreement provided for payments up to a maximum of 10 years, which began in 2008. Since there was no payment in 2008, and the 10 years ends at the end of 2017, SSC would receive 9 payments which totaled under 2,500,000.00 incentive maximum. All of this came as a shock given that the Project was completed in 2007 and thus fully taxable in 2008. Indeed the assessed valuation on January 1, 2008 was \$8,963,700.00 although SSC received no incentive in 2008. Unfortunately, SSC finances are extremely tight and our budget was absolutely based on receiving one additional payment of approximately \$186,000.00, which would have brought us to the maximum payout of \$2,500,000.00.

We have discussed this matter with the person who was our Executive Director at the time of the negotiation of the Development Agreement, Michael Basch, and Board members, and they too are surprised at this result. They indicate their expectation was for SSC to receive 10 payments with a maximum of \$2,500,000.00. We would submit that all parties involved in the negotiation of the Development Agreement knew and expected the project would be completed in 2007, with the city receiving a substantially increased valuation on the property upon which the Project was built. If the current interpretation by the City Finance Director is permitted, SSC would not only not receive a payment in 2008, when the property was assessed at \$8,963,700 and for which the city received approximately \$217,000, but in 2018 when the property will produce tax revenue in excess of \$300,000.00. In further investigating this matter, we were informed of a communication from Nancy Buss to City Attorney Steven MacLean dated July 21, 2009 and a memorandum back to Nancy Buss, a copy of which is attached. We were never informed of this communication and would certainly have acted immediately at that time if been so informed.

SSC believes the commitment period should be considered delayed until 2009. This interpretation is supported by the facts and circumstances and justified by the provisions of Article IX Force Majeure of the Development Agreement. Accordingly, we are requesting that the City/Common Council either direct the City Finance Director to make the 10th payment in 2018 equal to 90% of the Tax Increment Revenue, or that the Development Agreement be amended to so provide. We understand that this matter will be referred to a Common Council committee (most likely Finance) for review and then referral back to the Common Council for final disposition.

If we are incorrect in this understanding, please contact us with the correct process. Please also inform us of relevant meetings, as we do plan on being in attendance.

Very truly yours,



Paul Treffert
Executive Director

Cc: Lynn Coady, President, SSC Board of Directors
David Van de Water, Vice-President, Board of Directors
Pastor Cindy Thompson, Finance Chairperson, Board of Directors
Marcy Kerpe, Secretary, Board of Directors
Perry Fritz, Director
Steve Hamer, Director
Meg Trager, Director
Brian Gensch, Director
Keith Isken, Director
Michael Basch, Past Executive Director
Jim Houwers, Past Board President
Michael Strege, Bank First National
Michael Molepske, Bank First National
Brian Deaner, USDA
Jim Holmes, Landmark Square, Condo Association President
Rohde Dales LLP Attn: David Gass

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: R.O. No. 253-17-18 by City Clerk. Submitting a communication from Senior Community to request relief and assistance from the City of Sheboygan with respect to an issue arising out of a Development Agreement between SSC and the City, which was dated April 27, 2006.

REPORT PREPARED BY: Nancy Buss, Finance Director

REPORT DATE: January 18, 2018

MEETING DATE: January 22, 2018

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The Common Council entered into a development agreement with Sheboygan Senior Community Inc on April 27, 2006 providing financial assistance to the developer through development incentives in TID 13 for the construction of senior housing condominium units. The development agreement required construction commence in 2006 within three months of approval of the Plans and Specifications by the City, and completion within 18 months of commencement.

The development incentives in the agreement are:

- "After the Tax Incremental Value of the Project as determined by the Wisconsin Department of Revenue (WDOR), has exceeded a minimum of \$5,000,000, the City agrees to provide to the Developer a grant in the amount of twenty percent (20%) of the Tax Incremental Value of the completed Project as established by the WDOR, not to exceed a total grant of \$2,500,000, as an inducement to Developer for the development of the Project. The grant will be provided to the Developer as follows:
- Each year for a maximum period of ten (10) years, commencing in 2008, the City will pay to the Developer a development incentive in an amount equal to ninety percent (90%) of the Tax Increment Revenue received by the City with respect to the Property in that year, provided that the Tax Incremental Value of the Project is in excess of \$5,000,000 on January 1 of the previous year. The City shall make the payment due to the Developer, if any, under this Section 5.1 no later than September 30 of each year, commencing in 2008. The development incentives payable under this Section 5.1 are subject to adjustment as provided in Section 6.1(A) of this Agreement."

STAFF COMMENTS:

The developer did not qualify for a payment in 2008, Per Attorney McLean, "As such, while the first qualifying year for payment is 2009, the City is only obligated to make nine annual payments at most because no payment was due under the formula contained within the Development Agreement for 2008."

ACTION REQUESTED:

Motion to recommend the Common Council file R. O. No. 253-17-18, a communication from Sheboygan Senior Community to request relief and assistance from the City of Sheboygan with respect to an issue arising out of a Development Agreement between SSC and the City, which was dated April 27, 2006.

ATTACHMENTS:

I. R. O. No. 253-17-18

II

3.2

R. O. No. 253 - 17 - 18. By CITY CLERK. December 18, 2017.

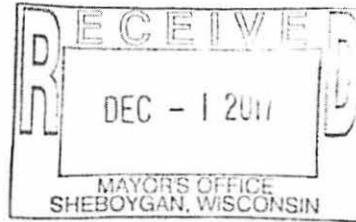
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*Finance +
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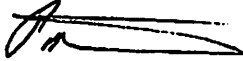
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Cc: Lynn Coady, President, SSC Board of Directors
David Van de Water, Vice-President, Board of Directors
Pastor Cindy Thompson, Finance Chairperson, Board of Directors
Marcy Kerpe, Secretary, Board of Directors
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Michael Strege, Bank First National
Michael Molepske, Bank First National
Brian Deaner, USDA
Jim Holmes, Landmark Square, Condo Association President
Rohde Dales LLP Attn: David Gass

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res. No. 128-17-18 by Alderperson Donohue and Bohren, authorizing the Assistant City Attorney to settle the matter of the Department of Workforce Development Equal Rights Division Complaint regarding Maurice A. Vreeke vs. City of Sheboygan

REPORT PREPARED BY: Thomas Cameron, Assistant City Attorney

REPORT DATE: January 19, 2018

MEETING DATE: January 22, 2018

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: 103.10
Municipal Code: N/A

BACKGROUND / ANALYSIS:

Maurice Vreeke was terminated from his employment with Public Works. Shortly after his termination, he filed a complaint with the Department of Workforce Development Equal Rights Division ("ERD").

STAFF COMMENTS:

To be discussed in Closed Session.

ACTION REQUESTED:

Motion to recommend the common Council approve Res. No. 128-17-18, which authorizes Assistant City Attorney Cameron to negotiate a settlement agreement with Mr. Vreeke.

ATTACHMENTS:

- I. Res No. 128-17-18

III

Other Matters

6-2

Res. No. 128 - 17 - 18. By Alderpersons Donohue and Bohren.
January 15, 2018.

A RESOLUTION authorizing the Assistant City Attorney to settle the matter of the Department of Workforce Development Equal Rights Division ("ERD") Complaint regarding Maurice A. Vreeke vs. City of Sheboygan, ERD Case No. CR201701473, with terms to be discussed in closed session.

RESOLVED: That the Assistant City Attorney is hereby authorized to negotiate and settle ERD Case No. CR201701473, Maurice A. Vreeke vs. City of Sheboygan.

J. Lynn Howland
Andy [unclear]

Finance +
Personnel

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