

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR HISTORIC PRESERVATION COMMISSION CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on whether the Armory is a "preferably preferred significant building", and there is "no reasonable likelihood that either the owner or some other person or group is willing to preserve, rehabilitate or restore such building" per Section 15.916 of the City Zoning Ordinance.

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

REPORT DATE: February 20, 2019

MEETING DATE: March 5, 2019

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 demolition of the Sheboygan Municipal Armory (Armory) structure has been an item of discussion since 1989. Below is a timeline of events that the City has executed in order to find an interested party to redevelop the Armory or to redevelop the property:

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| 1989 | Plan to build a riverfront hotel with Armory serving as a conference center. A study by the Sheboygan Development Corporation estimated the project would require a \$3 million subsidy and never moved forward. |
| 2005 | Sheboygan Development Corporation announced plans to buy the Armory to build a \$17 million Spaceport Sheboygan. This project never moved forward due to funding issues. |
| 2006 | City officials announce plans to close the Armory due high operating costs. |
| 2009 | Sheboygan Armory Foundation was formed to preserve the armory. This group never provided the Common Council with a strong business plan to renovate and operate the Armory. |
| 2010 | City approves a five year lease with Spaceport Sheboygan. |
| 2013 | Spaceport leaves building due to condition and operating costs and relocates to the former Triple Play building on South Pier. |

- 2014 City issues a formal Request for Proposals (RFP) for the adaptive re-use of the armory. This RFP is sent to over 1,000 developers in Wisconsin, approximately 100 developers and other people toured the armory at this time. Two proposals were received as a result of this effort. The Sailing Education Association of Sheboygan (SEAS) was going to demolish the Armory and build a headquarter building for sailing on this property and housing and a second proposal was received from JD Real Estate Partners that proposed to build new apartments and townhomes on the property. The Common Council agreed to proceed with the proposal from SEAS.
- 2014 City applied for a demolition permit, which triggered a review by the Historic Preservation Commission.
- 2015 The City of Sheboygan Historic Preservation Commission voted that the building was a “preferably preserved significant building” which placed a 90-day hold on the demolition process.
- 2015 SEAS withdrew their proposal to develop on the Armory property.
- 2015 Common Council takes action to turn off heat in the Armory.
- 2015-2016 Numerous projects were proposed for the Armory but all have not moved forward due to the lack of a solid funding plan. Friends of the Sheboygan Armory failed due to not having a solid funding plan, D-League team for the Milwaukee Bucks, Sheboygan was not chosen as the location, Local businessman interested in banquet facility did not proceed.
- 2016-2017 Little to no interest happens during this time and building continues to see significant deterioration due to lack of the heat, continual flooding and leaking roofs.
- 2017 Common Council authorizes Purchasing Agent to seek demolition bids and issue Request for Proposals for the redevelopment of the site.
- 2017 Common Council awards demolition bid to Vinton Construction for \$197,000 plus abatement.
- 2017 Historic Preservation Commission imposes the 2nd 90 day hold on demolition.

2018

City receives six proposals of which four proposals are to redevelop the property and two proposals to re-purpose the current building.

After complete review by a review task group of the proposals received, the group recommended to the Common Council to proceed with Scott Crawford, Inc. to redevelop the property into a mixed housing of affordable units and market rate units. Common Council directs staff to negotiate a redevelopment agreement with Armory Community Project and Scott Crawford, Inc.

Common Council votes to proceed with the Armory Community Project to preserve the Armory into a community center and the need to raise approximately \$7-10 million to complete the project. The Armory Community Project failed to meet two milestones in the agreement to raise \$2.4 million in private donations. On November 19, 2018, the Common Council voted to terminate the contract with the Armory Community Project.

The Common Council authorized the Purchasing Agent to again seek bids on the demolition of the Armory. The lower bidder is approximately \$122,000 higher than the previous bid in 2017.

2019

Common Council accepts the resolution authorizing staff to pull a demolition permit and negotiate a contract for demolition.

STAFF COMMENTS:

The City of Sheboygan has started the process of obtaining a demolition permit which has triggered this review by the Historic Preservation Commission. Also submitted to the building inspector is memorandum outline the city plans for the site after demolition and they include planting grass and getting the site ready for possible redevelopment in dust free condition per the Zoning Code and other applicable codes.

Interested community groups have raised concerns about whether this property is subject to the Public Trust Doctrine. The City has hired a consultant to research documents from the late 1800's to gain a better understanding of this, however this action is independent of the razing process.

ACTION REQUESTED:

Motion as determined by Commission.

ATTACHMENTS:

- I. None

