

Report to the Manitowoc Plan Commission

Meeting Date: October 28, 2020

Request: PC 33-2020: Canam Trust / Glastonbury Holdings LLC / Evergreen Redevelopment LLC: Request for a Conditional Use Permit for an Adaptive Reuse pursuant to 15.370(29) located at 1127 & 1133 S. 16th Street

Existing Land Use for Subject Property: Industrial (former location of National Tinsel Factory/ Santa’s Best)

Existing Zoning for Subject Property: I-1 Light Industrial

Surrounding Property Land Uses and Zoning

Direction	Existing Land Use	Existing Zoning
North, South, East, West	Residential	R-4 Single and Two Family Residential

Comprehensive Plan: Conditional Use Permits do not need to be consistent with the comprehensive plan. However, a main goal of the Comprehensive Plan is to “Encourage the redevelopment and adaptive reuse of older, underutilized and vacant industrial and commercial structures”. The proposed project achieves one of the main goals of the Comprehensive Plan.

Report:

See the attached project description provided by Evergreen Redevelopment LLC. Their project description provides the background information on who Evergreen is and what their project intentions are.

Canam Trust is the current owner of the property located at 1133 S. 16th Street which is the former National Tinsel Factory/Santa’s Best building. Glastonbury Holdings LLC is the current owner of 1127 S. 16th Street which is currently a residential house. Evergreen will be purchasing both properties for their redevelopment project if they receive all the appropriate approvals from the City, State and Federal entities. Evergreen will applying for both State and Federal Low Income Housing Tax Credits they also will be applying for Federal Historic Tax Credits to help fund the project. Evergreen is proposing a \$15 million redevelopment project converting the former industrial building (National Tinsel Factory / Santa’s Best) into a 76 unit (the units increased by 4 since the original Evergreen request letter) senior independent living residential development. Evergreen would also like to develop a community space on the first floor to act as a place for local community members to use for neighborhood meetings, small parties, and other local gatherings. A small coffee shop or bakery or similar service may be incorporated into the first floor space.

The subject property is currently zoned I-1 Light Industrial which doesn’t allow residential uses but an Adaptive Reuse can allow uses that may not be permitted in the underlying zoning district. The Adaptive Reuse can also allow a mix of different uses. An Adaptive Reuse

Conditional Use also allows the City to place conditions on the property that a permitted use in a zoning district may not allow. The reduction of off-street parking and residential uses in an industrial zoned district are the two main reasons for the adaptive reuse conditional use permit request. The conditional use permit gives the City some control over items that may not be compatible with the neighborhood such as signage and lighting.

Evergreen is proposing 39 off-street parking spaces, the spaces will be a combination of first floor inside parking or exterior surface parking east or north of the building. In other similar senior living projects Evergreen has worked on they have experienced the following: "typically in our affordable senior housing developments, even when 1-for-1 parking is required, the parking lots are generally no more than half filled (even with visitors), and often they are no more than 1/3 filled. We generally find that for a well-located development like this one, it is a relief for our tenants (both personally and financially) not to have to have a car. Our tenants are generally on fixed incomes, and they can take the money and time they spend on car ownership and use them in other ways."

Evergreen's submittal letter provides greater detail on their plans.

Italicized text below is from the Zoning Ordinance in regards to Adaptive Reuses.

Per the municipal code an Adaptive Reuse is defined as "*the development of a new use for an older building or for a building originally designed for a special or specific use.*"

"The purpose of an Adaptive Reuse is to facilitate the conversion of older, economically distressed, or historically significant buildings to a new use while keeping the building's historic features intact."

"The Common Council may issue a conditional use permit for the preservation, maintenance and adaptive reuse of any building which meets at least one of the following criteria:

- 1. Buildings originally designed and constructed as a school building as defined under MMC 15.030, and which are or once were owned by a school district;*
- 2. Buildings originally designed and constructed as a church building as defined under MMC 15.030, and which are or once were owned by a church;*
- 3. Buildings individually listed in the National Register of Historic Places, or "contributing" structures identified in the "Manitowoc Intensive Resource Survey Final Report" dated June 1988, and as may be amended from time to time;*
- 4. Buildings larger than 100,000 square feet in building area; or*
- 5. Buildings originally designed and constructed as governmental buildings, and which are or once were owned by a governmental agency."*

Currently the building meets criteria #3 because it is identified in the "Manitowoc Intensive Resource Survey Final report. The applicant is currently trying to have the building placed onto the National Register of Historic Places.

A conditional use permit issued under this section shall require a finding by the Common Council that: (1) the reuse of a building is made more difficult to the extent that the marketable value of such properties may be substantially diminished; and (2) the adaptive reuse of a building furthers the promotion and conservation of the economic value of such buildings and thereby protects and improves the City's tax base.

Below, italics are other elements from the Zoning Code related to Adaptive Reuses.

“ (d) Compliance with Development Regulations. A land use authorized under this section is subject to all development regulations applicable to permitted or conditionally permitted uses in the zoning district in which it is located, excepting reductions or waivers under subsection (29)(e) or (f) of this section, and all building improvements related to the adaptive reuse shall be in compliance with any applicable Federal, State or local laws.

(e) Off-Street Parking. Compliance with the parking requirements under MMC 15.430 may render the reuse of buildings under this section unfeasible. Therefore, the City Council may authorize a reduction or waiver to the number of off-street parking spaces normally required for a particular land use pursuant to MMC 15.430(5). Such reduction or waiver may only be authorized as part of a conditional use permit under this section.

(f) Reduction or Waiver of Other Zoning Requirements. The City Council may authorize any permitted or conditionally permitted land use to locate in an adaptive reuse building under this section, and may further reduce or waive area regulations, height regulations, and sign regulations normally required for a particular land use in the zoning district in which it is located. Such reduction or waiver may only be authorized as part of a conditional use permit under this section.

(g) Multiple Occupants. The City Council may authorize a mixture of uses in a single building in accordance with the requirements of this section.

(h) Termination. Unless otherwise authorized by the City Council, any conditional use permit granted under this section may be terminated pursuant to subsection (27)(f) of this section, and shall become invalid upon termination of the use(s) for which the conditional use permit was originally authorized.”

Public Comments: Notices were mailed out to the neighbors on October 21st, at the time of this writing no comments were received.

Timeline

- Notification Sent: City sent out notices on October 21. Evergreen held a Zoom neighborhood meeting on October 22.
- Common Council hearing scheduled for November 16.

Recommendation: The Community Development Department recommends approval of an Adaptive Reuse Conditional Use Permit to Evergreen Redevelopment LLC for property located at 1127 & 1133 S. 16th Street for the establishment of a 76 unit senior living facility under the following conditions:

**REQUIREMENTS FOR ADAPTIVE REUSE
CONDITIONAL USE PERMIT (CUP)
APPROVAL FOR EVERGREEN REDEVELOPMENT LLC
1133 AND 1127 S. 16TH STREET
11/16/2020**

Re: PC33-2020: The adaptive reuse CUP is granted exclusively to Evergreen Redevelopment LLC (EVERGREEN) or a yet to be formed LLC created by EVERGREEN pursuant to Section 15.370(29) of the Manitowoc Municipal Code ("Code") for property located at 1133 & 1127 S. 16th Street (Property"), and shall hereinafter serve as authorization for the location and operation of a Senior Independent Living Residential development. The area of the CUP is identified on the attached map and shall hereinafter be referred to as the "CUP Area". The CUP Area is defined as Tax Parcels # 000-292-260 & 000-292-150.

EVERGREEN is required to comply with the following conditions:

1. The CUP authorizing the siting and operation of EVERGREEN in the CUP Area shall not become effective and binding until the Common Council approves the CUP as outlined herein and all applicable permits, licenses and authorizations are in place.
2. Evergreen shall not assign or transfer its interest in the CUP to any party without the written approval of the Manitowoc City Plan Commission and Manitowoc Common Council. In the event the CUP Area is sold or leased to a party other than an entity in which Evergreen has a controlling interest, the CUP shall then terminate effective the date of conveyance and the subsequent owner shall reapply for a new CUP.
3. Compliance with all federal, state and local regulations, licensing and Code requirements.
4. The maximum number of dwelling units in the building allowed is 76. Evergreen shall provide at least 39 off-street parking spaces for the residents.
5. All exterior lighting from the CUP area shall be contained to the site and shall not extend over the property lines onto adjoining properties. Light emitted from the site shall not exceed 0.1 foot candles at the adjoining or abutting residential property line.
6. Evergreen shall submit a site plan for any exterior parking lots, said parking lots shall have a site obscuring fence, hedge, barrier or similar structure in between the parking lot and any residential use. Evergreen shall work with the Community Development Department on the site plan.
7. Garbage receptacles / dumpsters, when stored outside, shall be leak proof, secure against rodents and have permanent, tight fitting covers. Garbage receptacles / dumpsters shall be stored in an unobtrusive area and shall be screened from off-premises view with a site obscuring fence, wall or evergreen hedge and gate. The Community Development shall approve dumpster/garbage

locations and the site obscuring treatment.

8. A maximum of up to 1,000 s.f. of the first floor may be used for public retail or business uses, said uses shall be compatible to the neighborhood. Said uses shall be similar to a coffee shop, bakery, salon or other traditional neighborhood type uses. There shall be no exterior display of products or services other than signage.
9. Non-compliance with the terms of the CUP may result in the modification of the terms and conditions of the CUP, issuance of citations and financial penalties, or immediate revocation of the CUP.
10. Exterior signage for the building shall be up to a maximum of 100 square feet. The type and location of the signage shall be approved by the Community Development Department prior to installation. Animated or electronic message signs shall not be permitted. All building and sign lighting shall not create a nuisance for the neighboring properties.
11. The building uses shall be limited to residential uses or the limited retail uses as mentioned in #8 above. I-1, Light Industrial uses shall not be allowed unless approved by the Plan Commission and Common Council.



October 13, 2020

Mr. Paul Braun and Mr. Adam Tegen
City of Manitowoc
Community Development Department
900 Quay Street
Manitowoc, WI 54220

RE: Conditional Use Permit Request – Adaptive Reuse of former National Tinsel Manufacturing Building

Dear Mr. Braun and Mr. Tegen:

Evergreen Real Estate Group is requesting an Adaptive Reuse Conditional Use Permit for the redevelopment of 1133 S. 16th Street, Manitowoc, WI, also known as the former National Tinsel Manufacturing building. We request this Conditional Use under Section 15.370 (29) of the Manitowoc Municipal Code (the “Code”). This building meets criterion (b)(3) of this Section: “Buildings individually listed in the National Register of Historic Places, or ‘contributing’ structures identified in the ‘Manitowoc Intensive Resource Survey Final Report’ dated June 1988, and as may be amended from time to time”, as the National Tinsel Manufacturing building is listed in the 1988 Manitowoc Intensive Resource Survey Final Report. When the project is completed the project will also be listed on the National Register of Historic Places. 1127 S. 16th Street will also be part of this project, though we anticipate only minor changes to that parcel to incorporate additional parking spaces for the primary development.

Evergreen Real Estate Group is a dynamic residential development, property management, and construction company with an experienced leadership team and a fresh outlook on the challenges of affordable and mixed-income housing development. The development team within the Evergreen Real Estate Group develops, finances, constructs, and operates high-quality affordable multifamily housing developments in a range of communities, from the heart of Chicago to the heartland communities around the Midwest. Evergreen Real Estate Group has received more than 80 LIHTC awards for its projects and boasts a portfolio over 10,000 units owned and managed, serving 15,000 residents in 9 states.

The National Tinsel Lofts will be a \$15 million adaptive reuse of the historic National Tinsel Manufacturing building located at 1133 S. 16th Street. The project will redevelop the notable building into a senior independent living residential development containing approximately 72 units of one-bedroom and two-bedroom apartments, with 39 total parking spaces, designed to serve seniors aged 62 and up. All units will be for area residents who are at or below 60% of the area median income, though as a practical matter our research indicates that the higher end of the restricted rents are currently at market rate in Manitowoc. The rents will range from \$367-\$743 for 1-bedroom units and \$775-\$892 for 2-bedroom units. The property will include on-site laundry, on-site storage, a fitness room, a resident community room, as well as a business center for the residents. The apartments’ finishes will have a contemporary, loft-like appearance, and amenities will be in line with market rate rental units in the area.



Additionally, we intend to develop a community space on the first floor of the building to act as a place for local community members to use for neighborhood meetings, small parties, and other local gatherings and events, in order to keep this historical building accessible and provide tangible benefit for local community members. The redevelopment plan also includes 1127 S. 16th Street a single-family home directly north of the National Tinsel Manufacturing building. We will incorporate this property into the project potentially as a home for the property manager of National Tinsel Lofts, or we will rent the property at market rates or with a restricted rent.

The redevelopment will maintain historic elements of the building including the exterior façade, some windows, and other interior building elements as required by the Secretary of the Interior's Standards for Historic Rehabilitation. Building systems including electrical, plumbing, and HVAC, and roof will be fully restored, repaired, or replaced as appropriate. The development will generate more than 100 construction jobs, as well as create one new full-time and one part-time property management and building maintenance positions.

The building is currently serving as a light industrial and office space, having been fairly active until commercial activities ceased there some years ago. This property is located in a quiet, quaint, and primarily residential neighborhood and the building is obsolete for modern industrial and office users to locate there. With the project targeting the senior citizen population, there will be reduced parking and traffic congestion to the neighborhood, eliminating large commercial truck traffic as well. The building is past its functional life in its current form and has potential to serve and benefit the neighborhood and City of Manitowoc for the long term.

We believe the National Tinsel Manufacturing Building meets both of the criteria listed in Section (c) of the Code: “(1) the reuse of a building is made more difficult to the extent that the marketable value of such properties may be substantially diminished; and (2) the adaptive reuse of a building furthers the promotion and conservation of the economic value of such buildings and thereby protects and improves the City's tax base.” The building is functionally obsolete for its original intended purpose as a manufacturing facility, and as the lines around the block have shown during the liquidation sale for the Christmas-themed merchandise now being sold at the property, the building is not well-equipped from a parking or access perspective to serve as a retail or office property, nor is the location for such uses appropriate at the heart of a residential neighborhood. The redevelopment of the former National Tinsel Manufacturing building will increase the value and reposition the property to its highest and best use. Based on comparable properties within the City of Manitowoc, it is anticipated that the taxes collected on this property when redeveloped will increase substantially from their current level.

The project intends to demolish the small loading dock structure to the east of the main building to provide additional parking spaces; the parking lot east of the building will continue in its current function as off-street parking. Additional parking spaces will be introduced inside the building, and on the property at 1127 S. 16th Street immediately to the north of the National Tinsel building. A total of 39 parking spaces, several more than the required one parking space for every two age-restricted units, will be provided. No additions to the building's footprint are currently planned. The redevelopment plan will likely extend one or both of the building's existing stair cores and one of the elevator cores to the roof level, allowing us to develop a roof terrace for the use of residents and visitors.



The National Tinsel Lofts project will submit for an allocation of both State of Wisconsin and Federal Low Income Housing Tax Credits through the Wisconsin Housing and Economic Development Authority (WHEDA) in early December 2020. We will also be pursuing State of Wisconsin Historic Tax Credits, as well as Federal Historic Tax Credits to fund this project. We have begun the process of the Federal Historic Preservation application, as well as other preliminary predevelopment activities, including an environmental assessment and market study. WHEDA will announce the projects awarded tax credits in April 2021. It is anticipated that the project will begin construction in late 2021 or early 2022 and complete construction in late 2022.

We are very excited about the potential of this project and the benefit it will bring to the City of Manitowoc. We look forward to a favorable review by your department and the City Plan Commission and/or the City Council.

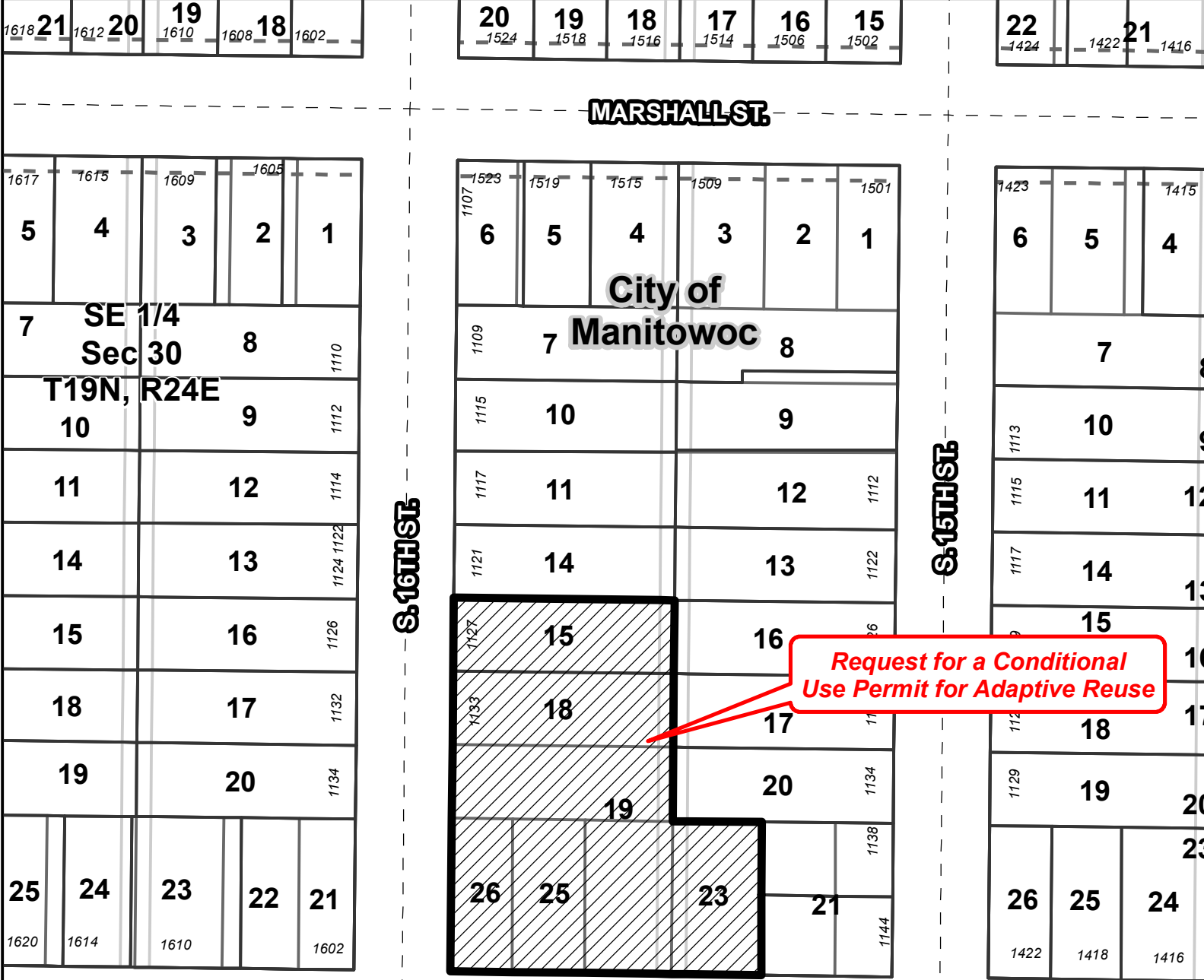
Please feel free to call me at (312) 382-3259 if you have any questions.

Thank you for your assistance with this important project.

Sincerely,

David Block AIA AICP
Director of Development

Cc: Tim Martinez, Realty Executives (representing ownership)
Javonni Butler, Evergreen



MARSHALL ST.

HAMILTON ST.

S 16TH ST

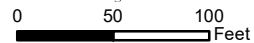
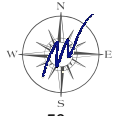
S 15TH ST

**City of
Manitowoc**

**Request for a Conditional
Use Permit for Adaptive Reuse**

CONDITIONAL USE PERMIT

City of Manitowoc, WI



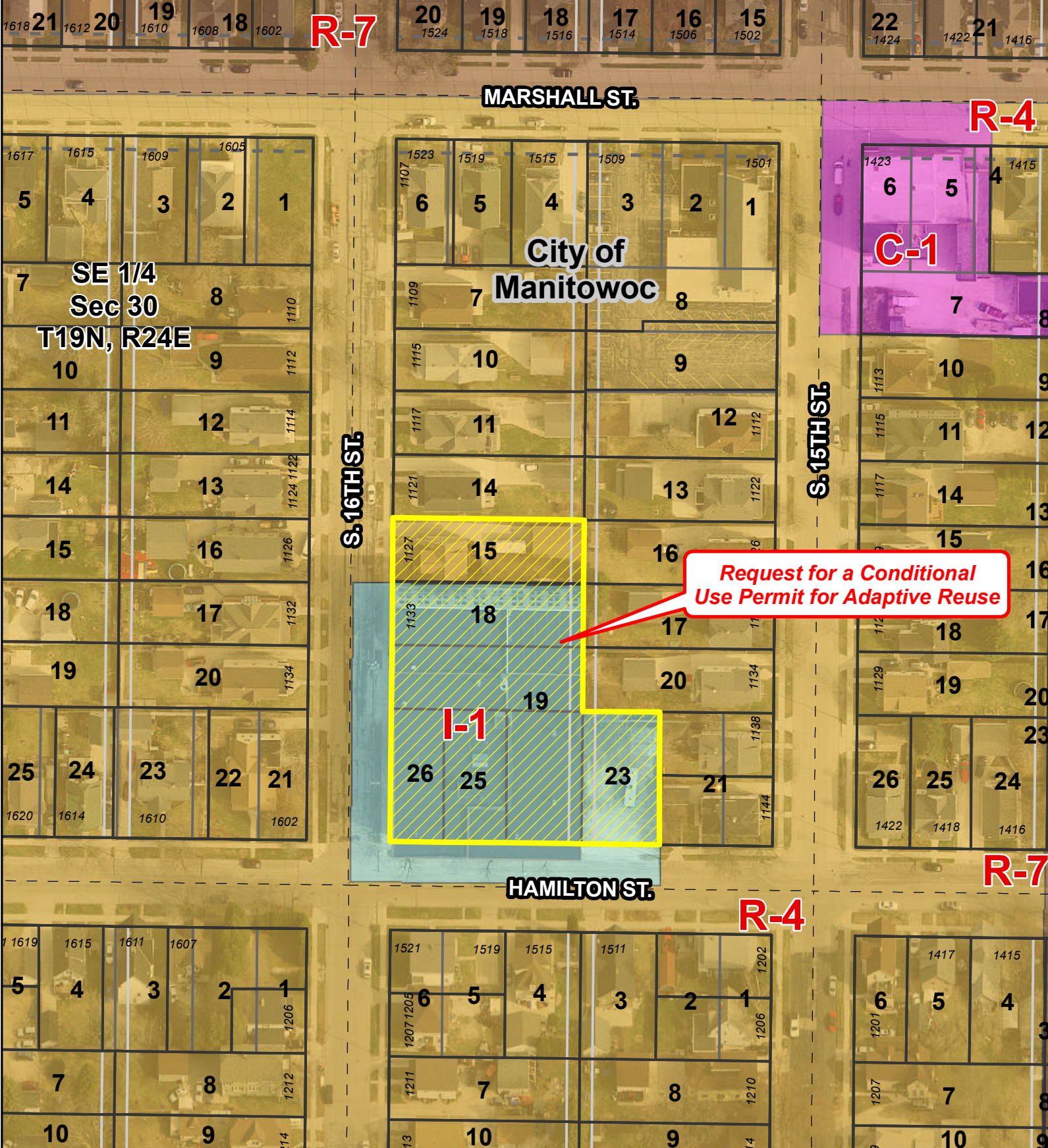
Area of Conditional Use
Permit for Adaptive Reuse

DISCLAIMER: Maps and associated data are believed to be accurate, but are not warranted. This information is not intended for legal, survey, or other related uses. Please obtain the original recorded documents for legal or survey information.

Prepared by City of Manitowoc
Community Development Department
www.manitowoc.org
Map Plotted: 10/20/2020
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PC 33-2020
1127 & 1133 S. 16th St.

Manitowoc City Plan Commission



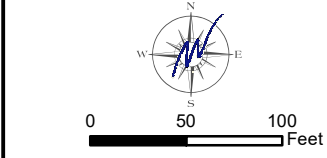
Request for a Conditional Use Permit for Adaptive Reuse

CONDITIONAL USE PERMIT

City of Manitowoc, WI

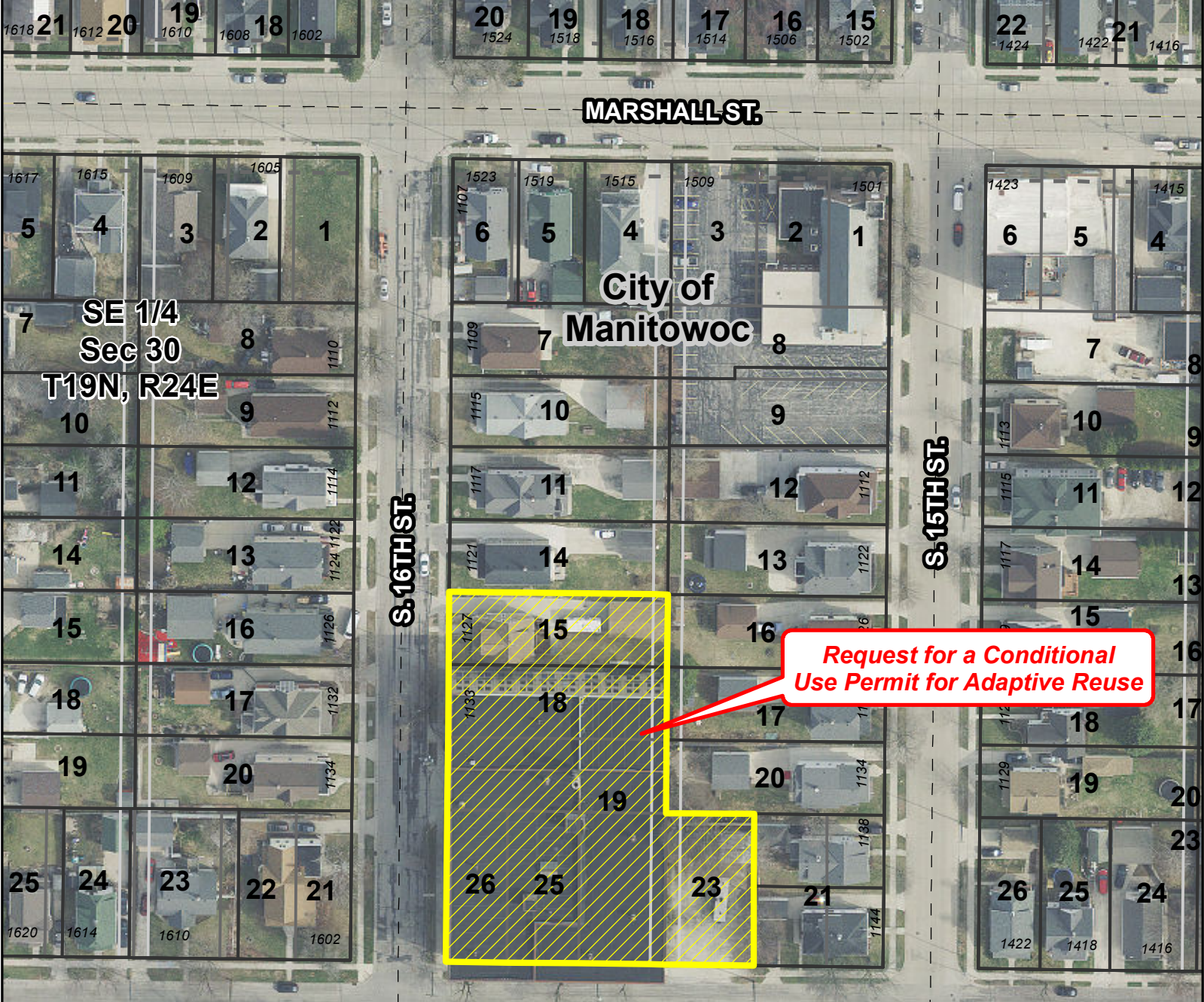
Area of Conditional Use Permit for Adaptive Reuse

PC 33-2020
1127 & 1133 S. 16th St.



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SE 1/4
Sec 30
T19N, R24E

City of
Manitowoc

**Request for a Conditional
Use Permit for Adaptive Reuse**

CONDITIONAL USE PERMIT

City of Manitowoc, WI

Area of Conditional Use
Permit for Adaptive Reuse

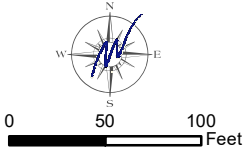
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Manitowoc City Plan Commission

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10.19.2020 13:46



NO PARKING
BETWEEN
DRIVEWAYS

UNIVERSITY

WARNING

10.19.2020 13:46



FACTORY SHOWING
SCHEDULED FOR
10/20/2020
FINAL DAYS

10.19.2020 13:47