



PLANNING COMMISSION

Special Meeting

Thursday, February 13, 2014

1. Public Workshop - 7:00 P.M.- 8:30 P.M. – City Hall Community Room
2. Approval of Minutes – November 14, 2013 and January 9, 2014 Special Meetings
3. New Business
 - (a) Discussion/ Recommendation on Vacation Home Rentals
4. Updates
5. Adjournment



BOARD: Planning Commission

MEETING DATE: February 13, 2014

DATE PREPARED: February 3, 2014

AGENDA SUBJECT: Public Workshop - Zoning Ordinance Amendments

RECOMMENDATION: Review materials

At its January 9th meeting, the Commission directed staff to schedule a public workshop on the proposed zoning ordinance and map amendments. A notice was sent to all affected property owners notifying them of the workshop and that the reasons for the proposed changes were to address issues that came up during the discussion of the Central Business District amendments and to implement the City Master Plan. In addition to the notice, information was provided on what district each recipient's property was in and what district it was proposed to be in, the district language, maps illustrating the new districts, and a comparison table showing the general differences and similarities between the districts.

The meeting room will be set up with a table for each zoning district and 2-3 of you will be stationed at each to provide information and answer questions. Enclosed is a general comparison table of the districts. As discussed by the Commission, there will be trade-offs of the changes, which property owners will likely have questions about. Some of these trade-offs are for the sake of the larger neighborhood or community, and some are impacts to the owner, including:

B2-A Transitional Business from B2 Central Business

- Fewer form requirements
- Allows residential uses on the first floor
- Maximum height now 3 stories 33 feet, not 3 stories 40 feet

B2-B Mixed Use Corridor from B3 General Business

- Lesser building setbacks
- All uses allowed to be up to 3 stories, 33 feet whereas in the B3 District, commercial uses are limited to 2 stories
- Reduced parking requirements (75% of general requirements)

OS Office Service or B3 General Business to RM-2 Multiple Family

- Office and other commercial uses that were permitted will either be limited to special condition use situations or no longer allowed
- An owner of a residential structure will know that it is the intended future use and that it is not seen as a holding place for future commercial redevelopment

The Commission must have reasons to create new districts or amend the ordinance. Specifically, Section 203 of the Zoning Enabling Act requires:

A zoning ordinance shall be based upon a plan designed to promote the public health, safety, and general welfare, to encourage the use of lands in accordance with their character and

adaptability, to limit the improper use of land, to conserve natural resources and energy, to meet the needs of the state's residents for food, fiber, and other natural resources, places of residence, recreation, industry, trade, service, and other uses of land, to ensure that uses of the land shall be situated in appropriate locations and relationships, to avoid the overcrowding of population, to provide adequate light and air, to lessen congestion on the public roads and streets, to reduce hazards to life and property, to facilitate adequate provision for a system of transportation including, subject to subsection (5), public transportation, sewage disposal, safe and adequate water supply, education, recreation, and other public requirements, and to conserve the expenditure of funds for public improvements and services to conform with the most advantageous uses of land, resources, and properties. A zoning ordinance shall be made with reasonable consideration of the character of each district, its peculiar suitability for particular uses, the conservation of property values and natural resources, and the general and appropriate trend and character of land, building, and population development.

The reasons that have been discussed at the Commission meetings for the proposed changes include:

Office Service/ Local Business to Central Business District

This block is the entrance to the downtown and its redevelopment should have standards that reflect the historic form of downtown, including zero lot-line construction and a minimum of a two story building.

Master Plan Goals/Objectives:

- Maintain and enhance downtown Petoskey as the regional economic and cultural center of the community.
- Promote economic development that protects and enhances the community's natural, historic, social and cultural resources.

Central Business District to Transitional Business District (B2-A)

The area north of Bay Street has a different form than rest of the Central Business District, with residential structures and larger setbacks, as are the properties along Michigan Street that are currently within the CBD, but not within the DDA District. The new CBD regulations made several of the buildings in these areas non-conforming. The proposed district is designed to allow the same uses as the CBD, but without the restrictions that new construction must be two stories, first floor has to be commercial and the zero-lot line front setback requirement. Both of the areas proposed for the new zoning district are within the parking exempt district and this would not change.

Master Plan Goals/ Objectives:

- Guide development and redevelopment in a manner that will maintain high quality living and working environments for current and future residents.
- Encourage continued rehabilitation and revitalization of existing commercial areas and neighborhoods.
- Ensure any infill development or redevelopment is compatible with and enhances existing residential areas.
- Promote economic development that protects and enhances the community's natural, historic, social and cultural resources.
- Ensure a range of housing types and price levels to address the demands of various age groups, household types and income levels.

Office Service to Multiple Family (RM-2)

The properties bounded by Elizabeth Street, Michigan Street and Emmet Street are all currently residential structures and residential uses. The properties across Michigan Street are zoned Multiple Family and the rezoning of these properties to RM-2 is to encourage the revitalization of this area for residential purposes, not to encourage redevelopment or re-use for commercial purposes. Existing structures are a mix of single and multi-family, providing a range of housing choice within walking distance to the downtown.

Master Plan Goals/ Objectives:

- Guide development and redevelopment in a manner that will maintain high quality living and working environments for current and future residents.
- Encourage continued rehabilitation and revitalization of existing commercial areas and neighborhoods.
- Ensure any infill development or redevelopment is compatible with and enhances existing residential areas.
- Ensure a range of housing types and price levels to address the demands of various age groups, household types and income levels.

B3 General Business to RM-2 Multiple Family

There are 9 properties on Petoskey, Fulton and Washington that are proposed for this change – all are residential structures. The change would still allow single and multiple family use, but would not encourage conversion of these properties to commercial use. Given the terrain on Petoskey and Fulton, these uses are unlikely, but they are currently within the B3 General Business District, but immediately adjacent to other RM-2 properties as well.

Master Plan Goals/ Objectives:

- Guide development and redevelopment in a manner that will maintain high quality living and working environments for current and future residents.
- Ensure a range of housing types and price levels to address the demands of various age groups, household types and income levels.

B3 General Business to B2-B Mixed Use Corridor (B-2B)

The proposed mixed-use corridor includes properties south of the Central Business District that run along the Downtown Greenway Corridor and Emmet Street that are currently zoned B-3 General Business. This area is seen as ripe for redevelopment in the coming years, and the goal of creating a new zoning district is to highlight the connection to downtown through the greenway corridor, encouraging a wide mix of uses with an urban development form that will then allow for a compact, accessible neighborhood to enhance adjacent residential neighborhoods.

Master Plan Goals/ Objectives:

- Guide development and redevelopment in a manner that will maintain high quality living and working environments for current and future residents.
- Encourage continued rehabilitation and revitalization of existing commercial areas and neighborhoods.
- Ensure any infill development or redevelopment is compatible with and enhances existing residential areas

Finally, there are 13 design principles discussed in the City Master Plan, several of which are also addressed through creation of the new districts or changes to district boundaries, including:

- Future development will take cues from the best aspects of downtown with respect to mix of uses, quality pedestrian environment and scale of buildings.
- New development and redevelopment will include high-quality pedestrian environments.
- Redevelopment and infill development will be sensitive to their context relative to scale, character and placement.
- A range of housing choices – both type and price- will be provided in the community.
- Existing neighborhoods will be stabilized, revitalized and strengthened.

Please be prepared to take notes on any comments you receive that can be shared with the whole Commission.

ARTICLE XXIX TRANSITIONAL BUSINESS DISTRICT (B2-A)

Sec. 2900 INTENT

The intent of the Transitional Business District is to complement the historic urban core of the Central Business District, while providing a transition area to adjacent neighborhoods. The district has a less intensive development pattern than the Central Business District, but with a similar mix of uses to maintain and promote a pedestrian-friendly environment.

Sec. 2901 PRINCIPAL USES PERMITTED

In the B2-A Transitional Business District, no building or land shall be used except in compliance with the uses identified in **Table 2901.1**. Sexually-oriented businesses as defined in Section 2800 of the Zoning Ordinance are specifically prohibited in the Transitional Business District.

TABLE 2901.1 Transitional Business District Permitted and Special Condition Uses

COMMERCIAL	
BAKERY, CONFECTIONARY PRODUCTION	P
BANKS	P
BREW/PUB, MICROBREWERY, WINERY	P
DAYCARE CENTER	P
FOOD SERVICE WITH OR WITHOUT ALCOHOL SERVICE	P
GENERAL RETAIL	P
HEALTH/FITNESS FACILITY	P
OPEN-AIR BUSINESS	SCU
PERSONAL SERVICE	P
PROFESSIONAL OR MEDICAL OFFICE	P
PUBLIC ASSEMBLY	P
STUDIO- ART, DANCE, MUSIC, PHOTOGRAPHY, ETC.	P
CIVIC	
EDUCATION – PRIMARY, SECONDARY, COLLEGE	SCU
GOVERNMENT OFFICES	SCU
LIBRARY, PUBLIC PARK	P
MUSEUM	P
RESIDENTIAL	
SINGLE FAMILY RESIDENCE	P
TWO FAMILY RESIDENCE	P
MULTIFAMILY HOUSING	P
BOARDING HOUSE	P
DORMITORY	P
NURSING HOMES, ASSISTED LIVING	P
LODGING	
BED AND BREAKFAST	P
HOTEL	P

TABLE 2901.2

Building Placement		
Setback (Distance from Property Line)	Minimum	Maximum
Front	0'	Average of buildings on adjacent lots or 15 feet, whichever is less
Side	0'	NR
Rear	0'	NR
Building Height		3 stories, 33 Feet

SECTION 2902 PRINCIPAL USES PERMITTED SUBJECT TO SPECIAL CONDITIONS

The uses noted as SCU in Table 2901.1 shall be permitted, subject to the conditions hereinafter imposed, for each use and subject further to the review and approval of the Planning Commission pursuant to Sections 1717 and 1718 of the Zoning Ordinance.

1. Open air business accessory to a permitted use. Open air operations shall be screened from adjacent residential uses and parkland as approved by the Commission.

SECTION 2903 SITE DEVELOPMENT PERFORMANCE STANDARDS FOR ALL USES

Any use or change of use located in this district shall be subject to the following standards:

1. General:
 - (a) All site plans submitted for review of a proposed use in this district shall include an elevation drawing that shows proposed building facades as seen from the street. The site plan and elevation drawings shall label proposed exterior materials on walls and roofs of principal and accessory buildings and on other fences or walls on the site.
 - (b) Site development should consider building placement in relation to public streets as well as the Downtown Greenway Corridor.
 - (c) All business, service, or processing activities permitted in this district shall be conducted completely within enclosed buildings except customer, employee and freight vehicle parking, loading zones, and those open air uses specifically identified in this district as permitted subject to particular performance standards.

2. Buildings:

(a) In review of building facades and features, the Planning Commission shall consider:

1. Exterior materials shall be of a finished appearance and textural quality, with building wall articulation and fenestration evaluated for their compatibility with the site size and shape and with surrounding buildings and structures. A statement and illustrations of how the surrounding structures have been considered shall be provided with the submittal.

2. To reduce the mass of a building, any street or park fronting wall longer than 25 feet shall be articulated through changes in material, windows, wall plane, or wall height.

(b) Accessory structures shall be designed to blend with the principal building(s) on the site as to exterior materials, size and shape.

(c) Garages and accessory structures shall be placed to the rear or side of principal structures and shall not be placed in a principal building front or corner front yard.

3. Site Requirements:

(a) Parking lot development is only allowed in the rear or side yards and screened with a hedge or finished wall of at least 3 feet and no more than 4 feet in height from view of any public street, alley, parkland or adjacent residential property.

(b) Parking spaces must be set back a minimum of five feet from the property line.

ARTICLE XXX B-2B MIXED USE CORRIDOR

Sec. 3000 INTENT

The intent of the Mixed Use Corridor is to provide a transition between the historic urban core of the Central Business District and the historic commercial district along the Emmet Street corridor. The district allows a wide mix of uses to maintain and promote a neighborhood that can meet the daily needs of its residents in walking proximity.

Sec. 3001 PRINCIPAL USES PERMITTED

In the B-2B Mixed Use Corridor District, no building or land shall be used except in compliance with the uses identified in **Table 3001.1**. Sexually-oriented businesses as defined in Section 2800 of the Zoning Ordinance are specifically prohibited in the Mixed Use Corridor District.

TABLE 3001.1 Mixed Use Corridor Permitted and Special Condition Uses

COMMERCIAL	
BAKERY, CONFECTIONARY PRODUCTION	P
BANKS	P
BREW PUB, MICROBREWERY, WINERY	P
DAYCARE CENTER	P
DRIVE-THROUGH FACILITIES	SCU
FOOD SERVICE WITH OR WITHOUT ALCOHOL SERVICE	P
GENERAL RETAIL	P
HEALTH/FITNESS FACILITY	P
OPEN-AIR BUSINESS	P
PERSONAL SERVICE	P
PROFESSIONAL OR MEDICAL OFFICE	P
PUBLIC ASSEMBLY	P
STUDIO- ART, DANCE, MUSIC, PHOTOGRAPHY, ETC.	P
WAREHOUSE AND WHOLESALE ESTABLISHMENTS	SCU
CIVIC	
EDUCATION – PRIMARY, SECONDARY, COLLEGE	SCU
MUSEUM	P
LIBRARY, PUBLIC PARK	P
POST OFFICE OR OTHER GOVERNMENT OFFICES	P
RESIDENTIAL	
SINGLE FAMILY RESIDENCE	P
TWO FAMILY RESIDENCE	P
MULTIFAMILY HOUSING	P
BOARDING HOUSE	P
DORMITORY	P
NURSING HOMES, ASSISTED LIVING	P
LODGING	
BED AND BREAKFAST	P
HOTEL	P

TABLE 3001.2

Building Placement		
Setback (Distance from Property Line)	Minimum	Maximum
Front and Corner Front	5'	Average of buildings on adjacent lots or 15 feet, whichever is less
Side	5'	NR
Rear	5'	NR
Building Height		3 stories, 33 Feet

SECTION 3002 PRINCIPAL USES PERMITTED SUBJECT TO SPECIAL CONDITIONS

The uses noted as SCU in Table 3001.1 shall be permitted, subject to the conditions hereinafter imposed, for each use and subject further to the review and approval of the Planning Commission pursuant to Sections 1717 and 1718 of the Zoning Ordinance.

1. Open air business accessory to a permitted use. Open air operations shall be screened from adjacent residential uses and parkland as approved by the Commission.
2. A drive-through service window, canopy or pick up area shall only be permitted subject to the following conditions:
 - a. Drive through service windows and canopies shall only be located in the side or rear-yard of a business location and shall not front any street or parkland.
 - b. Drive through service window areas shall be screened from adjacent residential use properties with a 6 foot finished wall as approved by the Planning Commission.
 - c. Driveway entrances shall be located a minimum of 50 feet from the radius sprint point of the curb at the intersection of any two streets.
3. Warehouse and wholesale establishments, subject to the following conditions:
 - a. Goods shall also be available for retail purchase on the premise and located along the street frontage;
 - b. The warehouse or wholesale establishment shall be located within three hundred (300) feet of a collector street (as designated in the Petoskey Master Plan) or railroad right-of-way.
 - c. A screening wall of a height, material and location to be determined by the Planning Commission may be required where the use abuts an existing residential use or parkland.

SECTION 3003 SITE DEVELOPMENT PERFORMANCE STANDARDS FOR ALL USES

Any use or change of use located in this district shall be subject to the following standards:

1. General:

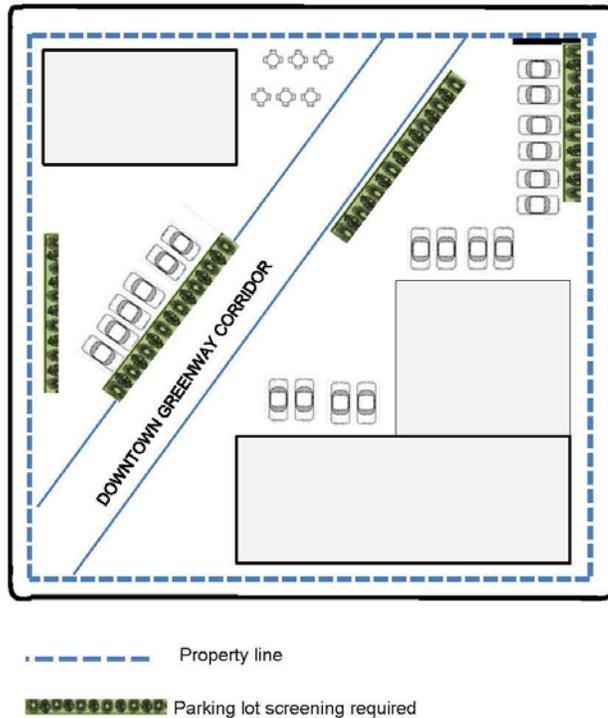
- (a) All site plans submitted for review of a proposed use in this district shall include an elevation drawing that shows proposed building facades as seen from the street. The site plan and elevation drawings shall label proposed exterior materials on walls and roofs of principal and accessory buildings and on other fences or walls on the site.
- (b) Site development should consider building placement in relation to public streets as well as the Downtown Greenway Corridor.
- (c) All business, service, or processing activities permitted in this district shall be conducted completely within enclosed buildings except customer, employee and freight vehicle parking, loading zones, and those open air uses specifically identified in this district as permitted subject to particular performance standards.

2. Buildings:

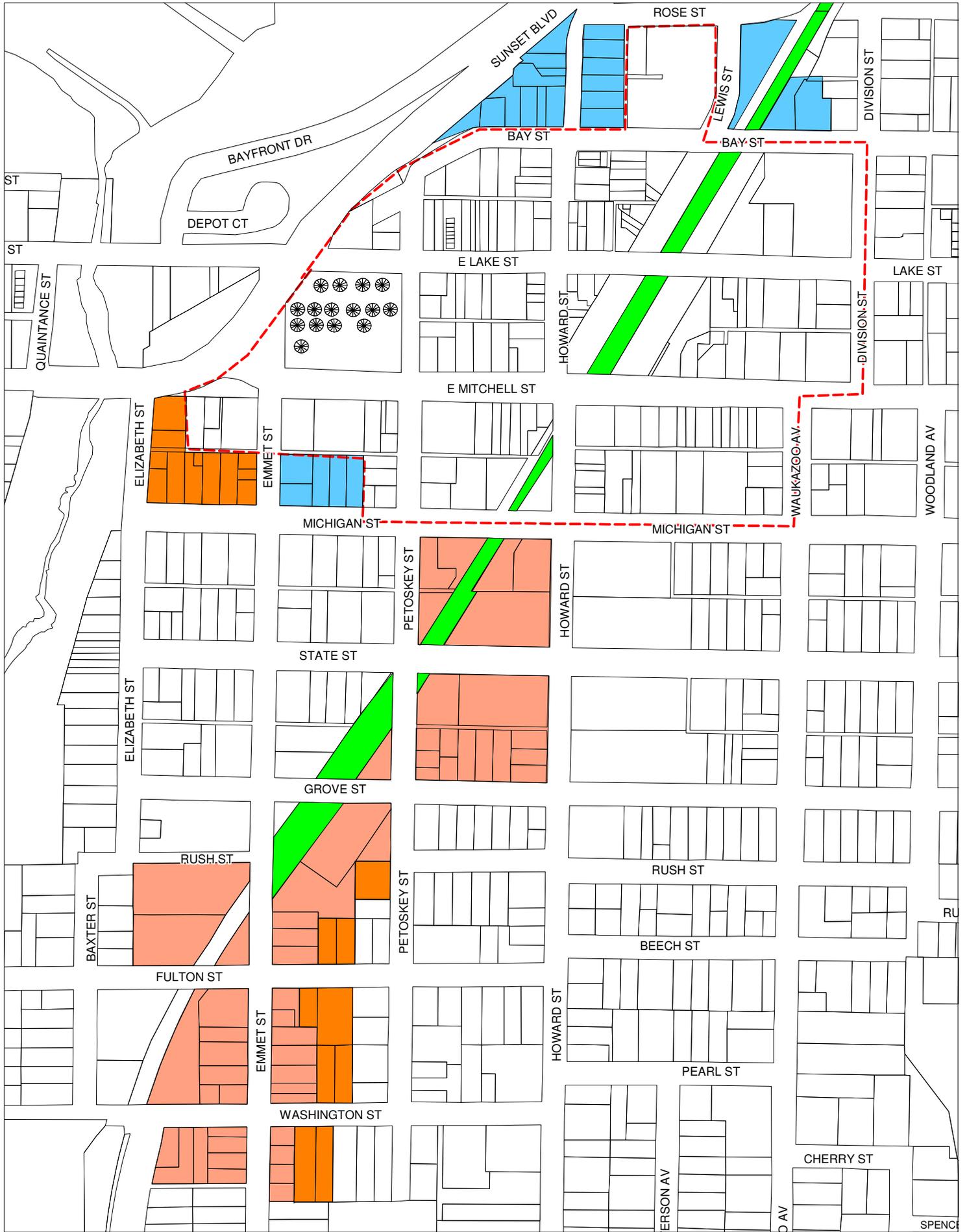
- (a) In review of building facades and features, the Planning Commission shall consider:
 - 1. Exterior materials shall be of a finished appearance and textural quality, with building wall articulation and fenestration evaluated for their compatibility with the site size and shape and with surrounding buildings and structures. A statement and illustrations of how the surrounding structures have been considered shall be provided with the submittal.
 - 2. To reduce the mass of a building, any street or park fronting wall longer than 25 feet shall be articulated through changes in material, windows, wall plane, or wall height.
- (b) Accessory structures shall be designed to blend with the principal building(s) on the site as to exterior materials, size and shape.
- (c) Garages and accessory structures shall be placed to the rear or side of principal structures and shall not be placed in a principal building front or corner front yard.

3. Site Requirements:

- (a) Off-street parking requirements in the B2-B are no less than 75% and no more than 90% of the requirements of Table 1704(6).
- (b) Parking lot development is only allowed in the rear or side yards and screened with a hedge or finished wall of at least 3 feet and no more than 4 feet in height from view of any public street, alley, parkland or adjacent residential property.
- (c) Parking spaces shall be set back a minimum of five feet from the property line.



Proposed Zoning Map Amendments 2014



--- New Central Business District Boundary



Proposed B2-A Transitional Business District

Scale: 1"=350 Feet

Proposed B2-B Mixed Use Corridor District

RM-2 Multiple Family from OS Office Service or B3 General Business

Zoning District Comparison

Zoning District	Height Regulations	Setback Regulations	Permitted Uses
RM-2 Multiple Family	Max 3 stories, 33 Feet	25 FT Front, 35 FT Rear, 10 FT Sides	Residential with density restrictions, child care, churches, schools, bed and breakfast
B1 Local Business	Max 2 stories, 25 feet	Minimum 20 FT Front, 20 FT Rear	Residential with density restrictions; retail; personal service; banks; professional and medical offices; government offices;
B2 Central Business	Minimum 2 stories, 28 feet Max 3 stories, 40 feet	Zero lot line front, corner front required	Residential upper stories only; retail; restaurant/bar; brewery; bakery/confectionary; health and fitness; arts studio; library, schools; offices; hotel
B-2A Transitional Business	Max 3 stories, 33 feet	Minimum 5 Ft Front, Side, Rear Maximum 15 FT or average of adjacent parcels	Residential all stories; uses allowed in the B2
B-2B Mixed use corridor	Max 3 stories, 33 feet	Minimum 5 Ft Front, Side, Rear Maximum 15 FT or average of adjacent parcels, whichever is less	Residential all stories; uses allowed in the B2 plus warehousing as a special condition use
B3 General Business	Max 2 stories, 25 feet Commercial Max 3 stories, 33 feet Residential	Minimum 20 FT Front, 20 FT Rear	Residential with density restrictions; retail, restaurant/bar, bakery/confectionary; health and fitness; offices; hotel/motel; veterinary clinic; plant nurseries; funeral homes and mortuaries; gas stations; warehouse/wholesale;
OS Office Service	Max 3 stories, 30 feet	20 FT Front, 20 FT Rear	Residential with density restrictions; offices; banks; personal service; churches; mortuaries;



PLANNING COMMISSION

November 14, 2013

A special meeting of the City of Petoskey Planning Commission was held in the City Hall Council Chambers, Petoskey, Michigan, on Thursday, November 14, 2013. Roll was called at 7:03 P.M. and the following were:

Present: Gary Greenwell, Chairperson
Dana Andrews
Dean D. Burns
James Holmes
Elizabeth Looze
Emily Meyerson
Rick Neumann
Cynthia Linn Robson
Eric Yetter

Staff: Amy Tweeten, City Planner
Dan Ralley, City Manager
Mike Robbins, Director of Public Works

Others Present: Ryan Bentley, Petoskey News Review
Stephen Billings, 22 S. Lamkin, Harbor Springs
Brian & Jane Fisher, 110 Arlington Avenue
David Krause, 920 Arlington Avenue
Ernie & Judy Mainland, 100 Arlington Avenue
Kate Marshall, 1015 East Mitchell Street
Marilyn Misany, 710 Winter Park Lane
Ray & Judy Osborne, 600 Arlington Avenue, #5
Kerry & Ann O'Tool, 128 Beaubien
Charles Rettstadt, 106 Arlington Avenue
Glen & Moon Seagren, 110 Division Street
Mike Theisen, 600 Arlington Avenue #4
Dan Wiethorn, 804 Arlington Avenue, #5

Approval of Minutes for September 12, 2013 and October 10, 2013 Special Meetings

Staff had reviewed the notes from the September 12th joint meeting and both the City Manager and City Planner's notes had a comment from Council Member Marshall about a joint member being potentially beneficial on the Planning Commission or ZBA. Commissioner Robson stated that she had reviewed the video from the meeting and what had been said was that a former commissioner or council member may be beneficial. Grammatical changes were also made. Upon motion made and supported, the amended September 12, 2013 minutes were approved. Upon motion made and supported, the minutes from the October 10, 2013 meeting were approved as amended.

**Review and Approval of the Arlington Avenue/
Downtown Greenway Direction on Corridor Project**

Dan Ralley, City Manager, gave an overview of the project that included both street and park improvements. The \$2.9 million cost includes grants totaling \$675,000 through the MDOT Small Urban Program and DNR Natural Resources Trust Fund, and will include new street surface, curb and gutter, sidewalk along the south side of Arlington Avenue, a multi-use concrete trail in the greenway, landscaping and pedestrian amenities, and utility replacements including undergrounding of electric. He then provided view scape slides to illustrate some of the tree removal that will occur, as well as how removal of overhead lines will impact the view.

Comments and questions were then provided by the Commission including whether the trees on the north side of the highway would be removed or topped, question on the proposed arch, whether there is a highway pedestrian crossing anticipated for the potential redevelopment at the Tallberg site, how the trail would be located at the west end by the depot, that there was a need for a sidewalk connector at the Winter Park Lane intersection, why there was only one island at the McDonald Drive crossing, whether there would be irrigation along the corridor, suggestions on landscaping to not include Norway Crimson and to mix slow and fast growing species, whether the railroad would continue to be active, and that the trail should have a 10 mph speed restriction.

The City Manager responded that the trail would be on the east side of the rail and the rail bed would be filled as it is in Pennsylvania Park, that there would be irrigation at the south end by the depot, that the connector at Winter Park Lane had to be eliminated for budget reasons because of the need for universal accessibility standards and need for a ramp due to slope, that a stairway at Rose Street had also been eliminated for budget reasons, and that there was a single island at McDonald to provide sufficient left turn stacking at the traffic signal.

The meeting was then opened up for public comment.

Kerry O'Toole, 128 Beaubien, stated that he likes the plan overall and had questions on utility lines. Mike Robbins, Director of Public Works, stated that the goal is to get all utilities underground and that space would be available to all the utilities and the City is working to have the work coordinated, but that the poles on the north side of the highway belong to AT&T and the City does not have control over when the lines would be dropped.

Mike Theisen, 600 Arlington Avenue, asked about the timeframe for construction (May-Oct), and stated that the residents of the condominiums do not want the parking shown on the south side in front of their building and feel it would create an unsafe situation at the intersection.

Marilyn Misany, 710 Winter Park Lane, asked about the highway realignment, whether there would be a continuous sidewalk along the south side, and whether there would be lights in the corridor. The City Manager responded that provisions for lights are being made between Winter Park Lane and Bay Street, but they will not be put in at this time.

Ray Osborne, 600 Arlington, repeated the concern about parking along the south side at the Beaubien intersection.

The discussion was brought back to the Commission and Commissioner Robson stated that she did not want to see lighting and if there were any lights that they have motion sensors.

A motion was then made and supported to approve the Arlington Avenue/Downtown Greenway Corridor project with the addition of a sidewalk connector at Winter Park Lane and consideration for comments made; motion carried 9-0.

Zoning Ordinance Amendments – Transitional Business District

Discussion on accessory structures resulted in the consensus being that the language in Draft 8 was sufficient. Staff then explained the idea behind two rather than one new districts – one for the area north of Bay Street and one for the area south of Michigan Street and incorporating those properties along the Emmet Street corridor that were zoned B3-B.

Discussion was favorable in forming two districts (B-2A Transitional Business and B-2B Mixed Use Corridor), that the properties on the north side of Michigan Street should be included in the B-2A, and that the residential properties currently zoned B3 along Fulton and Petoskey should be changed to RM-2. There was discussion on the possible uses in the B-2B and how they compared to the B3 General Business and concerns whether warehousing should be a special condition use. Staff will provide a comparison district of the uses in the two districts. There was also discussion on appropriate side and rear yard setbacks and whether they should be 3' or 5'. Staff also needs to make sure that the wording in section 3002-2b is consistent with the language discussed previously for screening walls.

Updates

Staff updated the Commission on the Emmet Neighborhood Plan and a tour of the Waste Water Treatment Plant as an educational opportunity on December 12.

The meeting was adjourned at 9:09 P.M.



PLANNING COMMISSION

January 9, 2014

A special meeting of the City of Petoskey Planning Commission was held in the City Hall Community Room, Petoskey, Michigan, on Thursday, January 9, 2014. Roll was called at 7:01 P.M. and the following were:

Present: Gary Greenwell, Chairperson
Dana Andrews
Dean D. Burns
James Holmes
Elizabeth Looze
Emily Meyerson
Rick Neumann
Cynthia Linn Robson
Eric Yetter

Staff: Amy Tweeten, City Planner

Others Present: Jeff Winegard, Top of Michigan Trails Council
Harry Burkholder, LIAA
Students

**Approval of Minutes for the December 12, 2014
Joint City Council and Planning Commission Meetings**

Upon motion made and supported, the minutes of the December 12, 2014 joint City Council and Planning Commission meeting were approved.

**Presentation by Harry Burkholder, Land Information
Access Association (LIAA), on Trail Towns**

Jeff Winegard, Executive Director of the Top of Michigan Trails Council, gave an overview of the existing and proposed trail system in northern Michigan and introduced Harry Burkholder from LIAA. Mr. Burkholder gave an overview of the trail town concept and its origins and successes through the Allegheny Trail Alliance. He explained the basic idea to be ensuring that communities along the trail are better able to maximize the economic potential of trail-based tourism and gave a presentation illustrating what different communities are doing to incorporate the four-point approach to community revitalization created by the National Main Street Center of the National Trust for Historic Preservation.

Mr. Burkholder stated that LIAA had money to complete a Trails Town Plan for Petoskey and the Commission supported the idea of moving forward with creation of such a plan.

Zoning Ordinance Amendments – Transitional Business District

Staff provided an overview of the changes to the drafts. Commissioners discussed the special condition use for warehousing and gave direction to add language that retail use must be on street frontage, and suggested changes to the illustration of parking in the B2-B District to make the parking screening more open to the greenway corridor. The Commission also discussed holding a public workshop on the proposed changes before having a formal public hearing. Staff will try and schedule for the special meeting in February.

Updates

Staff updated the Commission on the ZBA amendments approved by Council, explained that the issue of vacation rentals would likely be coming to the Commission for discussion and that staff would be meeting with the new owner of the 200 E Lake Street block.

Commissioner Meyerson stated her concern about the process to amend the Zoning Ordinance without the proposed changes first being reviewed and recommended by the Planning Commission.

Meeting adjourned at 9:30 p.m.

DRAFT



BOARD: Planning Commission

MEETING DATE: February 13, 2014 **PREPARED:** February 5, 2014

AGENDA SUBJECT: Vacation Rental Properties Discussion

RECOMMENDATION: That the Planning Commission review and recommend to City Council possible zoning regulations for vacation rentals

Summary. City Council has requested the Planning Commission's recommendation(s) for possible zoning regulation of vacation rental properties. Specifically, Council would like input by the end of March on possible geographic restrictions by zoning district, and/or frequency restrictions similar to Bed and Breakfast establishments, for all new vacation rental properties.

Overview: A vacation home is commonly defined as a commercial use of a dwelling where the dwelling is rented or sold for any term less than 30 consecutive days. Some coastal communities in Michigan regulate vacation rental properties, which appear to be increasing in popularity, with the development of vacation rental websites. Most of the communities surveyed that regulate vacation rental properties also have an active rental inspection program for all apartments within their communities and/or their own building inspection program.

A survey conducted in the late summer of 2012 found seven (7) vacation rental properties within the City in addition to those properties within Bay Harbor that were designed and formally managed as vacation rental investment properties. A similar survey in late 2013 identified twelve (12) vacation rental units – all within residential districts. Because of the self-listing/advertising of vacation rentals, it is likely that there are additional properties being used as vacation rentals beyond the twelve properties identified as part of this survey.

Issues: Utilizing a residentially zoned property as a vacation rental introduces a commercial use into residential areas that may threaten the stability of a residential neighborhood or diminish the value of surrounding properties. The Department of Public Safety does not separately track complaints from vacation rental properties so it is not known the extent to which complaints have stemmed from these vacation rental properties within Petoskey. However, other communities with a large number of vacation rentals have reported problems with parking, noise, and trash disposal, and anecdotal evidence suggests that similar problems exist with some vacation rental properties in Petoskey.

Other Communities. The following is a brief summary of how some other communities in Michigan are handling vacation rentals:

- Charlevoix - No regulations.
- Harbor Springs – No dwelling unit can be rented less than one week. No license or inspections. Handled on a complaint basis.
- Holland - Has rental inspection program. Defines any rental less than thirty days as a commercial use that is confined to certain zoning districts.

- Mackinac Island – Defines a hotel as any residence where persons stay less than 30 days. Zoning code restricts areas where hotels may be located. Vacation rentals that existed prior to date of regulatory change were grandfathered until a change of ownership occurs.
- Manistee – Rental inspection program covers vacation rentals.
- Muskegon – Has rental registration and inspection program under which vacation rental properties are regulated that are occupied more than three months per year.
- St. Joseph – Has rental registration and inspection program. “Short-term leases” of 30 days or less are required to include maximum occupancy loads, off-street parking requirements, the local telephone number of the unit, noise requirements in a conspicuous location within the vacation rental and in the lease.
- Traverse City – Require license for “Tourists Homes” where individual *rooms* are rented for less than seven days in a home that is occupied by the owner. “Vacation Home Rentals” are defined as the commercial use of a dwelling where the dwelling is rented or sold for any term less than 30 consecutive days, and are only allowed in commercial districts. They are no longer licensed separately, but instead are inspected through the rental inspection program.

Other Regulatory Considerations: At the January 6 City Council meeting, members requested additional information about how other communities are regulating the frequency or number of vacation rental properties within their communities. City staff checked with several other communities that regulate vacation rental properties in some fashion and found none that limit or cap the number of vacation rentals. Instead, most communities identified, including Traverse City and Holland, regulate vacation rentals by limiting the zoning districts where they are permitted.

Most communities that actively regulate vacation rental housing have an existing rental inspection program and/or maintain their own building department. In these communities, vacation rental housing is regulated in a similar fashion to all rental housing, often with specific add-on regulations pertaining only to short-term or vacation rentals. These inspections help to ensure that basic safety standards are met, and licenses in these communities are typically revocable if problems of safety, noise, trash or automobiles are found on repeated occasions.

By contrast Harbor Springs and Mackinac Island have chosen to regulate vacation rentals thru their zoning codes, and rely on complaints to trigger enforcement. In these communities the definition of a hotel has been broadened to incorporate vacation rental properties, which are restricted to specified zoning districts. Petoskey could utilize a similar approach if City Council wishes to restrict areas where vacation rentals would be permitted.

Regulatory Options: The City Attorney has advised that existing vacation rental units that are legally in existence at the time of regulation may be grandfathered. A map displaying the location of known vacation rental properties is enclosed. For all new vacation rental properties, the Planning Commission and City Council have several policy options in terms of frequency and location:

1. *No Regulation*
2. *Limited Future Allowance.* If a limited number of vacation rental properties is seen as beneficial to the community, City Council could restrict by number or distance, or by limiting the permitted use of vacation rentals to certain zoning districts. Possible zoning districts could include commercial areas and the transitional business district zoning currently in draft form with the Planning Commission.

The City currently restricts bed and breakfast establishments to one every 500 feet. However, the establishment of a vacation rental is significantly easier than the

establishment of a new bed and breakfast property because a vacation rental property does not require owner occupancy.

3. *Restriction by Zoning District.* A simple way to restrict future vacation rentals would be to define any structure used for transient lodging accommodations for 30 days or less as a hotel. This would effectively limit vacation rentals to commercial zoning districts within the City where hotels are permitted uses. Additionally, regulation by zoning district would avoid interference with areas in Bay Harbor designed for vacation rentals because zoning administration and oversight under the Act 425 agreement was retained by Resort Township.

Inspection: If Council elects to proceed, based on discussions at the January 6, 2014 City Council meeting, it is City staff's understanding that safety inspections for compliance with the IPMC and IFC would be part of a draft ordinance for City Council consideration. Bed and Breakfast establishments and hotels are already inspected on an annual basis by Public Safety personnel. Inspection of vacation rental properties would help ensure basic safety standards are being met in properties that are being rented for similarly short durations where persons may be less familiar with their surroundings and methods of egress in case of an emergency.

Additionally, it is likely, based on Council discussions, that the required posting of basic noise, parking and trash disposal regulations, similar to St. Joseph, would be included in a draft ordinance, pending direction on the overall regulation of vacation rentals.

Enclosure

