



PLANNING COMMISSION

Thursday, March 17, 2016

1. Roll Call – 7:00 P.M. – City Hall Lobby
2. Approval of Minutes – February 18, 2016 Planning Commission Meeting
3. New Business
 - (a) Proposed Sign Ordinance amendments
4. Old Business
 - (a) Review and discussion of priority redevelopment sites
5. Updates
 - a. Ordinance amendments
 - b. Downtown Greenway Corridor
6. Adjournment



PLANNING COMMISSION

February 18, 2016

A regular meeting of the City of Petoskey Planning Commission was held in the City Hall Lobby, Petoskey, Michigan, on Thursday, February 18, 2016. Roll was called at 7:03 P.M. and the following were:

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

Staff: Amy Tweeten, City Planner
Rob Straebel, City Manager
Lisa Denoyer, Administrative Assistant

Others Present: Ryan Bentley, Petoskey News Review
Kate Marshall, 1015 E. Mitchell Street
Lori Pall, 603 E. Lake Street
Reg Smith, 100 Lewis Street
Valentino Trabucchi, 6008 Trillium Trail, Harbor Springs
Gus Uhlich, 340 Hill Street

Upon motion and support, the minutes of the January 21, 2016 regular meeting were approved with changes and minutes from the February 8 joint meeting with Parks and Recreation were postponed for corrections and review.

**Public Hearing and Action on a
Request to Rezone 215 E. Lake Street**

Chairman Greenwell opened the public hearing and asked staff to give an overview of the request. Staff presented the background information, referring to the agenda memo dated February 5, 2016, on the request to rezone 215 E. Lake Street from the B-2 District to the B-2A District and gave her evaluation noting that the Master Plan and Downtown Strategic Plan have goals of converting upper stories to residential use while the proposed rezoning would allow first floor residential use, that the building has a mezzanine that could be converted to a second story for residential, that the building was constructed as a commercial building on a block of buildings with first floor commercial use, and that the Commission would have to decide what additional parcels it would have to rezone in order for this to not be considered a spot zoning.

Commissioner Burns commented that he was under the impression that the Commission would be making a motion to rezone this parcel as well as two other nearby parcels so as not to spot zone. Staff and other Commissioners understood the hearing to be only on the request.

Valentino Trabucchi, 6008 Trillium Trail, Harbor Springs, then presented his case for the rezoning, commenting that if the Commission rezoned all three parcels that it would not be spot zoning but that he only requested to rezone the property he is interested in purchasing. Mr. Trabucchi also commented that; the entrance from Bay Street to Bayfront Park is only 30 feet away and he can't imagine why this would not be considered a transient area, the Commission did a great job with the B-2A District but they did not finish and it needs to continue west to include 215 E. Lake Street, and other parcels have been rezoned (Staff note: Mr. Trabucchi was referring to minutes he had read on the rezoning of part of 101 Lewis Street from Park Reserve to B-2A as it had been incorrectly included in the P-R District) He asked the Commission to give deep consideration to rezoning 215 E. Lake Street because he believes it will sit vacant if it is not rezoned due to the lack of parking and the size of the building and that he should be able to do what he wants with this property. Mr. Trabucchi then commented that he is not asking for all of the first floor to be residential as there would be commercial space on Lake Street. He also commented on the amount of greenspace and landscaping around the building that makes it unique from other buildings downtown and that from the highway it appears to be two separate buildings. The applicant then provided language for a possible motion to rezone the property.

Gus Uhlich, 340 Hill Street, commented that he has lived in Petoskey for a half a century and if the City wants to maintain a viable community it needs to create affordable housing downtown.

At this time, the public hearing was closed for Commission discussion. Commissioners commented that they did not see the connection between the subject property and the B-2A District given the open space that separates them; that the building was oriented toward the commercial Lake Street frontage, that the highest and best use for the building is commercial, and that functionally it is important for it to remain commercial, that as the address is Lake Street it should remain in the B2 District, and that it is possible to add floors for residential use.

Commissioners continued their discussion of arguments for and against the rezoning. Arguments for rezoning included that the parcel is contiguous to the B-2A, that the residential is proposed for the opposite side of the building from Lake Street, that lodging is a permitted use in the B-2 District, that it is a unique building could remain vacant, that downtown residential is desired and these units could sell quickly, that the highest and best use is what the market will bare; that the property is at the periphery of the downtown surrounded by non-commercial use of greenspace and the highway, and questioned why first floor residential was a bad thing. Arguments against the rezoning were that it would be spot zoning, that it would be contrary to the intent of the B-2 District by removing commercial space and goals of the master plan by potentially losing the first floor commercial as part of the business district, that a rezoning would permit first floor residential so there are no guarantees that the Lake Street frontage would remain commercial regardless of the intent of the applicant, that it is a unique property with a restaurant facility of that size with a water view and the opportunity for multiple commercial businesses exists, that parking was not the reason the restaurant owner stated for closing, that the building has not been vacant for long and that the decision should not be made out of fear of what might occur, that the Commission needs to look at the big picture and long term impact of the property zoning knowing that the 200 E Lake property will develop, and that the B-2A was created for non-conforming structures, not to encourage new first floor residential.

Several Commissioners noted that the property was unique and wished there were something that could be done that would maintain the Lake Street frontage as commercial while the rear portion could be converted to residential, however, a rezoning to B-2A was not the mechanism.

Reg Smith, 100 Lewis Street, asked if the property could be rezoned as a PUD to guarantee that a certain number stays commercial. He commented that he believes the previous restaurant

business was a victim of parking as there is no parking within site, parking at 200 E. Lake Street will be a viable location, and that creative input into the building is needed.

Staff responded that PUD zoning is not typically used for a parcel of this size and Commissioner Meyerson noted that a PUD should not to be used to circumvent existing zoning.

Mr. Trabucchi stated that 215 E. Lake is north of Bay Street, that condominium the property is the way to keep the Lake Street unit commercial, this will get people downtown, that this is a special property and the people should be able to do what they want with their property.

Lori Pall, 603 E. Lake Street, commented that Zoning Board of Appeals denied the appeal of 215 E. Lake Street for many of the same reasons that the Planning Commission had stated and that she has concerns that if the property is rezoned that there will be more requests from the 400 block of Lake Street causing first floor residential spaces to creep up Lake Street.

A motion was then made by Commissioner Meyerson to recommend to City Council that the request to rezone 215 E. Lake Street from B-2 Central Business District to B-2A Transitional Business District be denied based on the findings against the rezoning in the staff agenda memo dated February 5, 2016 and specifically that the Planning Commission has spent substantial time creating the B-2 and B-2A District boundaries and did not change the zoning of this property as it believed it belonged in the B-2 District, that the property can be used for its desired purpose under the current zoning, that rezoning the property could be precedent setting, that the B-2A District was created to address an area with uses and structures that did not conform to the B-2 District, that a rezoning is contrary to the Master Plan and Downtown Strategic Plan, that there are no guarantees of first floor commercial space with a rezoning to B-2A, and that the Zoning Board of Appeals made similar comments in its ruling. Support for the motion was from Commissioner Robson. Upon roll-call vote, the motion passed 7-2 with Burns and Holmes voting against the motion.

Downtown Greenway Corridor Master Plan

Staff reviewed the updated the Master Plan block by block, noting the two sections where further changes had been made based on the comments at the February 8 meeting and indicated on the current plan from 1999 what had been changed. While there are no guarantees with grant funding, staff has been working with the goal of implementing the non-motorized trail element from E. Mitchell Street to Emmet Street in the 2017 timeframe to coincide with reconstruction of Emmet Street and reminded the Commission that the plans are conceptual, could change during the engineering stages, but that the plan will come back to the Commission for review as with the first phase of the Downtown Greenway Corridor.

Commissioners discussed the grant application timing and how it should or should not influence approval of the master plan; concerns with the proposed parking lot at Emmet Street and that it should not be in the plan at this time, the potential for busses blocking cars in as they pick up or drop off passengers in the Elks Lot, the need for Emmet Street to be beautified and how leaving the green space would help this rather than a parking lot, the removal of tracks entirely, the location of the trolley barn on Grove Street, the construction of the trail without approval of the master plan, placement of bike racks, concerns with recommending approval of the entire Master Plan to City Council, placement of war memorials in Pennsylvania park, that Council had voted to remove the parking in Quarry Park, the costs and hazards of keeping the tracks in place, the grant application process does not require parking to get grant funding, and the interest in moving the trail construction forward but hesitancy to approve the overall master plan as the rail issue has not been resolved. A better plan could be made if the future of the trolley was final.

Reg Smith commented that at the Greenway Corridor workshops the public did not want the tracks removed as they felt there was historic value there and that the reason for cutting the tracks was

to ensure that Federal regulations would not have to be followed. He asked if the Commission approved where every bike rack went and stated that he felt that staff was capable of making that decision. He then asked the Commission not to remove the parking lot on Emmet Street as the Downtown Management Board provided half of the funding (\$80,000) to purchase the Downtown Greenway Corridor with the intention of that more parking would be created. Mr. Smith also commented that the parking lots in that area are heavily used and private so not available for public use.

Commissioner Burns commented that the public was in favor of keeping the tracks if they were part of a passenger rail service, not if they were disconnected at Emmet Street. There was further discussion that the public desired the railroad and trolley line, but they did not have that opinion related to cost to operate such a service.

Rob Straebel, City Manager, commented that even without the tracks the trail alignment would not change dramatically so not having a final answer on the tracks should not impact approval of the master plan. There was a comment that the trail alignment is affected as it has to cross the tracks which is a safety concern.

A motion was then made by Commissioner Neumann to recommend approval of the amended Downtown Greenway Corridor as a conceptual plan to allow for the non-motorized trail grant to be submitted, but the final approval of any improvements in the corridor would come back to the commission for approval. Support for the motion was by Commissioner Andrews. Upon roll-call vote, the motion passed 6-3, Burns, Holmes, and Robson voting against the motion. Robson stated she voted against the motion because of the parking lot still being in the plan.

Amendments to Chapter 18, Streets, Sidewalks and Other Public Places

Staff reviewed proposed Chapter 18, Section 18-2 amendments and commented that the Downtown Design Committee will be reviewing the design guidelines for outdoor dining.

Commissioners discussed barricade requirements, pedestrian bottlenecks in the summertime and the potential for flexibility for areas with sloping streets.

A motion was made by Commissioner Burns, with support by Commissioner Neumann to recommend the Chapter 18, Section 18-2 amendments to City Council; motion carried 9-0.

Priority Redevelopment Sites

Staff asked Commission members for their priority ratings for potential redevelopment of seven different parcels which would be compiled for review at the next meeting.

The meeting then adjourned at 9:18 P.M.

Minutes reviewed by Emily Meyerson, Secretary



BOARD: Planning Commission

MEETING DATE: March 17, 2016

DATE PREPARED: March 9, 2016

AGENDA SUBJECT: Sign Ordinance Recommendations

RECOMMENDATION: Review, possible action to schedule hearing

The Sign Committee has been reviewing the Sign Ordinance as a result of the Supreme Court Reed v. Town of Gilbert case to ensure that the ordinance is as content-neutral as possible, particularly with regard to temporary signs. Given the aesthetic impact of temporary signs on the community, our ordinance has consistently regulated them and we will continue to regulate them, but changes will be needed to ordinance language. Overall, instead of regulating the type of sign (real estate, construction, etc), the ordinance will allow additional signs for certain events that may occur on a property. Separate from signs on private property, the City will continue to regulate signs placed in the public right-of-way (directional signs). This amendment would also eliminate the need for several existing definitions, illustrations and tables in the ordinance. The revised Section 5.1 is proposed to read as follows:

Section 5.1 Temporary Signs

In addition to permanent signs regulated through this ordinance, a property may have up to two (2) temporary signs (either ground or wall mounted) during the following events subject to the restrictions in Table 1.

1. Signs not requiring a permit
 - a. A property is for sale
 - b. A property is under construction
 - c. An election is within 45 days

2. Signs requiring a permit
 - a. A special event is to be held on the property, however, said signage shall not be on display for more than 17 days in any 120 day period. Further Zoning District restrictions may supersede this time limit.

Table 1 Temporary Sign Regulations

Zoning District	Maximum Height	Maximum Area
R-1, R-2, R-3	Five (5) Feet	Six (6) Square Feet
RM-1, RM-2, B-1, B-2, B-2A, B-2B, O-S	Five (5) Feet	32 Square Feet
B-3, B-3A, B-3B, I-1, I-2	Eight (8) Feet	50 Square Feet

Projecting Nameplates

At the request of a downtown business owner, the Sign Committee again reviewed the projecting nameplate regulations. The specific request was to allow second floor businesses to have projecting nameplates. This issue had previously been reviewed by the Sign Committee with input by the Downtown Design Committee and it had been decided no change was necessary or desirable to keep the proliferation of this type of sign to a minimum. The current language is as follows:

Section 7.1(1) Projecting Nameplate Signs.

One projecting nameplate sign (*Figure 40*) shall be allowed for each ground-floor use that fronts a public right-of-way or alley and one projecting nameplate sign shall be allowed for each below-ground-floor use that has direct access to a public right-of-way or alley, subject to the following conditions...

The Committee discussed the issue of signage for upper story businesses, reviewed other ordinances, and determined that using the dominant downtown building pattern (25-50 feet) as the determining factor allowed flexibility while keeping the number of projecting signs to a repetition of 25 feet of building wall. The proposed language is as follows:

Section 7.1(1) Projecting Nameplate Signs.

One (1) projecting nameplate sign (*Figure 40*) per 25 feet of **the subject property** building wall that faces a street, alley or parking lot shall be allowed subject to the following conditions: (per existing ordinance)

The highlighted text was added by staff after the committee discussed the language to ensure that an applicant cannot consider the entirety of a wall of buildings down the street as the basis for determination. Staff also wants to be sure that the language is clear as to when a second sign is allowed; As written, a building of 26 feet in width would get two (2) nameplates.

Window Signs

The Committee also wanted to bring the issue of vinyl window signs to the Commission's attention. More and more, businesses are applying vinyl to the inside of windows with a message on it, with many small holes that allow visibility from inside the business to the outside. The issue that the committee has seen happen is that an entire window is covered in vinyl so that there is no transparency from the outside, but the business only calculates the area of the message as signage.



As window signs do not currently require permits, this is only caught when it is very obvious, as the example below illustrates where the vinyl was put on the window to block intense westerly sun, but also removed any transparency into the restaurant.

Currently, a permit is not needed for window signs, so the Committee discussed whether this should be changed. The

consensus was that given the nature of temporary window signs to change, enforcement would be difficult. So rather than require a permit specifically for window signs, whenever a sign permit application is required, all window signage will be required to be shown and the restrictions will be provided. Enforcement will then have to be on a case by case basis.



BOARD: Planning Commission

MEETING DATE: March 17, 2016

DATE PREPARED: March 9, 2016

AGENDA SUBJECT: Discussion of priority redevelopment sites

RECOMMENDATION: Discussion

At the February meeting, each Commissioner provided rankings for the potential redevelopment sites presented. The top three sites based on all input are 200 E. Lake Street (unanimously the top priority), 900 Emmet (Gruler) and 900-1000 Bayview Road (owned by Kilwin's). At the March meeting we will discuss the sites and reasons they should take priority, as well as other sites or buildings that may not have been included that could possibly be added.

200 E. Lake Street

Since 200 E. Lake has been identified as the top redevelopment site for the Commission, the discussion that needs to occur is what we are willing to do to get development at the site. At the January meeting, the Commission voted to support the use of Brownfield TIF for 200 E Lake Street as a development financing option but not as a position statement. The purpose of the statement (enclosed) was to clearly identify what the community would be looking for in a development to *potentially* support the use of a Brownfield TIF that would supersede the existing DDA TIF. The statement was seen as a way of getting the DMB and City Council on the same page regarding the use of brownfield TIF for the site, saving critical time when a development proposal comes forward.

It is true that there are other economic development tools that could be used for the site (or other sites), and which of those tools to use will be the decision of City Council. The creation of economic development policies to evaluate proposals for the priority development sites is essential to give clear direction to potential developers. With that goal in mind, staff created two documents: an economic development incentive matrix and a list of questions to be considered in evaluating whether to consider a Brownfield TIF – which could be modified for other incentives. These documents are more relevant to decisions City Council will need to make, but they are enclosed for discussion purposes.

It is clear from the language of the position statement that the DDA continues to look for a mixed-use development that has the ability to provide public parking either on the site or off the site. Both concepts that have been brought forward (one concept was repeated twice) appeared to meet the mixed use criteria, and one (Arlington Place) appeared to be very close to the CBD requirements with the exception of an additional story at the west end for a hotel. Neither of the concepts moved forward for various reasons, and the full details of traffic circulation of either plan were never provided. Without a specific proposal in front of the Commission, it is also a good time to have a discussion about the Commission's role in getting the site developed.

Position Statement

200 East Lake Street

The Downtown Management Board (DMB) and Petoskey City Council recognize that development of the 200 East Lake Street site is a very complex and expensive undertaking requiring a strong private/public partnership. To this end, development of the site will likely involve implementing a Brownfield Redevelopment Tax Increment Finance plan to fund certain aspects of the project. Currently, the site has a Tax Increment Financing (TIF) mechanism in place that was adopted by the City of Petoskey's City Council and DMB. The existing TIF would need to be waived by the DMB and the City Council as part of establishing a new Brownfield Redevelopment TIF for any proposed development.

To provide guidance and to encourage development, the DMB and City Council present the following position statement regarding development of the site.

The DMB and City Council will examine all aspects of the development plans in making their decisions on whether to revoke the current TIF in consideration of adopting a Brownfield Redevelopment TIF.

Strong consideration for support of a Brownfield Redevelopment TIF will be given to a plan that incorporates the following items:

1. Development to provide sufficient parking to meet all of the private parking needs necessitated by the proposed uses at 200 East Lake Street.*
2. Development to provide sufficient public parking in an amount agreeable to both the DMB and City Council.*
3. A minimum investment of \$30 million.
4. A funding mechanism for providing additional public parking off- site.
5. A strategy for shared maintenance and enforcement of the on-site parking area.
6. A variety of mixed uses such as a hotel/conference center, residential units and commercial and retail space.

*Shared parking may be considered to satisfy both private and public parking needs.

What economic development incentives would you support for redevelopment?

<i>In concept, realizing much depends on actual project</i>		TIF (DDA, Brownfield or Corridor Improvement District)	Grant Match/ Grant Guarantee/ Infrastructure (cash)	Tax Abatement (Neighborhood Enterprise Zone or Obsolete Property Rehabilitation District)
5	Strongly support			
4	Support			
3	Neutral			
2	Don't support			
1	Strongly oppose			
Location				
	<ul style="list-style-type: none"> • Downtown 			
	<ul style="list-style-type: none"> • Old Town Emmet Neighborhood 			
	<ul style="list-style-type: none"> • Bay Harbor 			
	<ul style="list-style-type: none"> • Existing single-use areas (e.g., Bay Mall) 			
Purpose				
	<ul style="list-style-type: none"> • Job creation 			
	<ul style="list-style-type: none"> • Affordable Housing 			
	<ul style="list-style-type: none"> • In-fill, mixed use development 			
	<ul style="list-style-type: none"> • Environmental assessment and/or remediation 			NA
	<ul style="list-style-type: none"> • Infrastructure (streets, utilities, parking) 			NA
	<ul style="list-style-type: none"> • Open space protection/parkland 			
	<ul style="list-style-type: none"> • Convert a single use development into mixed use 			
	<ul style="list-style-type: none"> • Feasibility studies 	NA		NA
	<ul style="list-style-type: none"> • Arts and cultural amenities 			
Duration of incentive				
	<ul style="list-style-type: none"> • 6 years 	NA	NA	
	<ul style="list-style-type: none"> • 10 years 		NA	

<ul style="list-style-type: none"> • 20 years 		NA	
<ul style="list-style-type: none"> • 30 years 		NA	
<i>In concept, realizing much depends on actual project</i> 5 Strongly support 4 Support 3 Neutral 2 Don't support 1 Strongly oppose	TIF (DDA, Brownfield or Corridor Improvement District)	Grant Match/ Grant Guarantee (cash)	Tax Abatement (Neighborhood Enterprise Zone or Obsolete Property Rehabilitation District)
Value of Incentive			
<ul style="list-style-type: none"> • Less than 25% project cost 			
<ul style="list-style-type: none"> • Less than 50% project cost 			NA
<ul style="list-style-type: none"> • More than 50% project cost 			NA
Anticipated Taxable Value at Project Buildout			
<ul style="list-style-type: none"> • <\$20 Million 			
<ul style="list-style-type: none"> • \$20-40 Million 			
<ul style="list-style-type: none"> • >40 Million 			

**Things to consider regarding a Brownfield TIF
(or other development incentives)**

1. With changes to the law, Brownfield Plans can include costs for environmental remediation and infrastructure (public and private). The policy question is, whether the City should support plans that include private infrastructure and if so, when?
 - When there is public benefit to directing tax dollars to help jumpstart a development?
 - Would creation of a brownfield TIF for only environmental remediation and public (versus private) infrastructure provide sufficient support to make a development economically feasible?
2. Are economic conditions (supply and demand, location) the reason a property has not developed or because the site isn't "build-ready" and it is costly to get it build-ready? Is using the incentive needed to have development occur?
3. Will providing an incentive to the development promote revitalization of adjacent areas?
4. Does postponing tax dollars from a development to a future date put undue burden on public services needed for the development or the community at large?
5. Is it a priority development area for the community?
6. Does a TIF for the property create the ability for development that might otherwise occur elsewhere outside the City (township or Tribal property)?
7. Does the incentive assist development that will enhance existing development areas or potentially detract from them?
8. What are the policy objectives for providing the incentive: jobs (what kind), environmental cleanup, affordable housing, needed infrastructure,