



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