



PLANNING COMMISSION

March 21, 2019

A regular Planning Commission meeting was held in the City Hall Council Chambers, Petoskey, Michigan, on Thursday, March 21, 2019. Roll was called at 7:00 P.M. and the following were:

Present: Dana Andrews, Vice Chair
Betony Braddock
Dean Burns
Chad McDonald
Rick Neumann
Ted Pall
Cynthia Robson

Absent: Emily Meyerson, Chairperson
Eric Yetter

Staff: Amy Tweeten, City Planner
Rob Straebel, City Manager
Sarah Bek, Executive Assistant

Others Present: Colin Anderson, 503 State Street, Apt. 1
Kalley Atkins, 1109 East Mitchell Street
Dustin Boyer, 417 South Division Road
Aaron Brooks, 1474 Kilborn Drive
Erik Brown, 1004 West Gruler Road
Sheldon and Karla Buckmaster, 3750 Pickerel Lake Road
Bob and Katie Berg, 5131 Maple Grove Road, Charlevoix
Ann Carolan, 3730 East Mitchell Road
Andy Chapman, 552 West Jefferson Street
Tanner DePriest, 220 West Hurlbut, Charlevoix
James Dittmar, 914 East Lake Street
David Eggers, 5918 North US-31, Levering
James Ehrnst, 702 Elizabeth Street
Bill Fraser, 803 Kalamazoo Avenue
Becky Goodman, 1109 Old Tannery Creek
Lindsey Griffes, 320 A South Ellsworth Road
Spencer Herley, 320 A South Ellsworth Road
Ashley Hill, 11188 Wildwood Road
Chris Hogard, 3218 Howard Road
Chad Hones, 3444 Aurora Drive
Rebecca Hughes, 417 South Division Road
Michael Karr, 608 East Mitchell Street
Michael and Adam Kazanowski, 441 State Street
Ami Klykken, 2818 Charlevoix Avenue
Michael Kottameyer, 441 State Street
Rob and Kim Kronberg, 422 Grove Street

Pam and John Krueger, 416 East Mitchell Street
Amanda Lamb, 1312 Highland Court
Marie Law, 209 Summit Street
Jamie Liebler, 8759 Springridge Drive
Jerry Loveland, 6365 Wilderness Park Drive, Mackinaw City
Rand Marquardt, 3195 Forrest Avenue, Harbor Springs
Kate Marshall, 1015 East Mitchell Street
Lou and Lori Mettler, 310 Howard Street
Chris and Liisa Morley, 2596 West Sheridan Road
Steph P., 5131 Maple Grove Road, Charlevoix
Mike Pattullo, 8 Penn Plaza
William Perkins, 709 Jackson Street
Justin Rashid, 1015 East Mitchell Street
Brad Rellinger, 949 Country Lane
Larry Rellinger, 430 East Lake Street
Johnathan Scheel, 506 North Division Road
Clark Smith, 5251 Big Sky Trail, Indian River
Reg Smith, 515 Lockwood Avenue
Scott E. Smith, 5500 Lake Grove Trail
Kari Solomon, 416 East Mitchell Street, #8
Laura Steele, 909 Sunset Court
Jessica Stubbs, 1234 Hazelton Avenue
Matt Sundmacher, 11188 Wildwood Road
Jasmine Turner, 1109 East Mitchell Street
Stanley Tylutki, 306 East Lake Street
Garrett Urman, 5724 Maple Hill Road
Brian Wagner, 200 West Lake Street, #5
Steve Werner, 73 Hardwood Lane, Harbor Springs
Dawn Whyte, 2634 Stewart Road
Jeremey and Kim Wills, 204 State Street
Others arrived after meeting commencement

Upon motion made by Commissioner Pall and supported by Commissioner Braddock, the minutes of the February 25, 2019 regular meeting were approved 6-0-1 with Commissioner Andrews abstaining.

200 East Lake Street Conceptual Plan Presentation

Staff briefly reviewed that Bob Berg, owner of 200 East Lake Street, and his development team would be presenting conceptual plans for the property. Staff explained that it is recommended by the City Public Participation Plan and most critical that conceptual plans for large scale developments be submitted to the Planning Commission early in the process for public input.

Petoskey Grand, comprised of Mr. Berg, representatives from Shoreline Architecture and daughter, Katie Berg, gave a presentation concerning conceptual plans for 200 East Lake Street. Mr. Berg reviewed his entrepreneurial background; investments and renovations in the Petoskey community since 2008; that he has been approached many times to purchase the property, but realized it was a big commitment; recognized that it would be a missed opportunity if he didn't purchase property, and that it would be a positive enhancement for the City of Petoskey; and that he conducted several meetings with various community stakeholders to listen to wants and needs of the property which ultimately aided in the development of the conceptual plans.

Ms. Berg reviewed her educational background and current commercial real estate analyst background; that she has a passion and numerous positive experiences in the City and looks forward to more; reviewed conceptual plan and project goals which included a hotel, conference center, pharmacy, movie theatre, affordable apartments and single family townhomes (brownstones); that the development will enhance downtown business performance; that there will be a component of underground parking which will be self-sustaining; that the goal is to decrease overall density and square footage from previous proposals and that their plan had 23% less square footage than previous plan; explained how the development team came up with the design by borrowing from history and reviewed historical hotels and elements that are designed to be welcoming, including porches and wood siding; reviewed several views including entrances to and from hotel, conference center, brown stones and porch view; that the development team wanted more of an inviting presence as approaching downtown; reviewed brown stone design and elements, and that these types of properties are trending across urban America due to classic elements including façade details and materials; and reviewed details on affordable apartments, theatre and pharmacy.

Commissioner Robson inquired on capacity of hotel and other facility uses year-round and seasonally; what the estimated number of employees this development would provide the community; inquired how tall the raised wall along the highway is and to consider changing the architecture so it wasn't a solid wall; if the terrace would be open to the public; inquired if the outdoor courtyard/inner plaza area is strictly for pickup and drop off; that the area along the highway is public right-of-way and that the plans are infringing on public property; inquired what the H indicated on the plans and was opposed to a heli-pad; inquired on the heights of hotel and brown stones; that housing on the first floor deviates from the CBD policy of first-floor retail; inquired on finishes of buildings; inquired on plans for snow removal and buildup of snow; and inquired if the development team had considered any green infrastructure as part of the project and encouraged contacting local agencies to include green practices.

In response to Commissioner Robson's inquiries, Mr. Berg reviewed that internals had not yet been designed, so capacity is undetermined at this time; that experts will have to research and design certain areas of hotel such as the spa; that there will be adequate parking for each hotel room and employees and that the parking garage will have more capacity than what project needs with a maximum of 343 spaces; that municipal parking is a possibility and will have future discussions with City staff; reviewed that the highest point of raised wall is 12 feet tall from the corner; that the hotel rooftop is anticipated to be open to the public; that the courtyard plaza area is strictly a service driveway for conference center; that the front of building on public property will be negotiated with the City; that the H indicates a helicopter pad; reviewed that the hotel is 92 feet high from average grade, that the brown stones are 38 feet tall and theatre is 53'8"; that pharmacy and theatre are retail components on the first floor; that he met with Bob Gibbs, Gibbs Planning Group, Inc. who did not believe that downtown needs more retail space to compete with existing, and that there could be a 15-20% top end lift for retailers in all seasons with addition of this development. The architects then reviewed building finishes - the hotel is brick and lap wood siding and that upper part of theatre building is brick and lower part limestone; and indicated that it is too early in the process to have a snow removal plan.

Commissioner Pall thanked the development team for the presentation; had inquiries on the parking garage and how many elevators would be installed; inquired on how trash and deliveries would be handled on the property; expressed concerns with access points and that there will be traffic flow issues and a potential for more accidents; inquired if city parking spots along the street would go away once built; concerned with sidewalk along highway and pedestrian safety from traffic and weather elements; inquired on sale price of brown stones; inquired on affordable apartments and monthly cost to rent and size; inquired on hotel/conference center concept and if there was a condo component with plans to sell; inquired if he would be building the theatre; if he or his development

team has experience in developing a project this large; and if there could be other perspectives of size of development other than what was provided for better illustration of size of project.

Mr. Berg responded that the parking is designed by using what has previously been dug out for past projects; that hotel services, laundry and waste control has been identified and will use underground parking area, with 5 elevators and small totes for waste; the architects reviewed that there will be three areas for ingress and egress at Mitchell, Lake and Petoskey Streets; that selling prices for brown stones have not been identified; that the one or two bedroom apartments will be rented in the \$1,300-\$2,000 per month range which will include one underground parking spot and that this is based on current downtown rents. ; that there will be no condos in hotel, brown stones will only be sold and all other units leased; that he has studied the Lyric Theatre in Harbor Springs which operates on a 501-3c basis and will provide white wall space for tenant; that he has developed several restaurants and is good at planning and details; and that the architects could provide difference viewpoints of development and provide a human perspective if Commissioners would prefer.

Commissioner Burns had concerns with the fireplace blocking the prime view of the building and inquired if the parking for apartments met City requirements.

The architects responded that there were no parking requirements in the Central Business District.

Commissioner Andrews expressed hope that Mr. Gibbs is correct in the 15-20% increase in retail sales with addition of development; is in favor of conceptual plans and that it incorporated the comments provided to date; supports the mix of multi-use and is against the fireplace; that he likes water features, but that for six months the feature will be vacated due to weather; that this property sits on the "best" corner of the community and is in favor of vacating Emmet Street; expressed concerns with entrances and exits and that traffic flow should be researched more; and advised the development team that based on past experience, height would be a concern.

Commissioner Braddock favored the theatre; concerned with height of hotel and congestion of traffic near Grain Train on Mitchell Street; inquired if there would be parking spots in the center courtyard; concerned with pedestrian traffic with traffic entering and exiting parking garage; and expressed support for affordable housing, but not sure if this site is the appropriate location.

In response to comments, Mr. Berg reviewed that there would be temporary parking in the courtyard, but no long-term parking; that parking garage exits would be in the corners and will be open to pedestrian exits; and that he is using experience in determining affordable apartments and that economics are key drivers in project.

Commissioner McDonald inquired on how the number of parking spaces were derived; concerned with height and that the building is overwhelming when entering from US-31; and that the plans are tasteful and not as grandiose as past plans, but still should be sensitive to height.

Mr. Berg reported that all aspects of the development were included when determining the number of parking spaces; that there already is a parking issue in downtown and that the City should step up to alleviate the problem; that another layer of deck could be added; that most likely there will be overlapping guests using all facilities; and addressed height concerns and explained that economics of a hotel determines the feasibility of project.

Commissioner Neumann is in favor of the multi-use concept; was surprised at the inclusion of brown stones; concerned with foot-traffic infringing on privacy of brown stone owners; supports less density than past plans; expressed good traffic patterns; is hopeful that the City participates in parking; and reviewed that he has a passion for historical buildings, that development should reflect 2019, take into consideration historic downtown Petoskey and project be more modern, not fake historical.

Mr. Berg responded that foot-traffic from theatre and pharmacy will help first-floor retail and that his team will work with a traffic expert to come up with the best traffic flows.

Commissioner Andrews asked for public comments and heard the following comments.

Bob Kromberg, 1222 Grove Street, commented that this plan is least scaled back from previous plans; that angles don't take into account surrounding street views; that views are deceiving of actual size; that better angles should be provided moving forward; concerned with height and it is downside for City and year-round residents; and that traffic patterns should have improved consideration.

Kim Wills, 204 State Street, supported concept; addressed traffic concerns; concerned with height; excited for multi-use buildings; that the Michigan Municipal League has recommended for many years to be economical feasible; and that this type of project will bring in the young generation and be community oriented.

Marie Law, 209 Summit Street, commented on the affordable housing units in downtown area and asked whether there would be restrictions that tenants have to live and work in district so many days in a year.

Reg Smith, 515 Lockwood Avenue, operator of Perry Hotel, supported the plan; that some retail has been lost in downtown and rather service, office and real estate oriented businesses have arrived; that Amazon scares him and what the future holds; that it is very important to bring more people downtown and an additional hotel and residences will achieve this concept; that the project will be built in a hole, so going to be tall, but overall will be impactful to downtown; appreciates the local ownership and local talent of development team; thanked team and indicated that the project deserves best chance to make it work.

Kari Solomon, 416 East Mitchell Street, commented that she rents from Mr. Berg; that she works and shops local; middle-aged and empty nesters are attracted to brown stone and downtown apartment living; and that downtown residents will live and shop local.

Commissioner Pall further commented that he is not necessarily opposed to first-floor residential; that the design of brown stones are in character with City and first-floor retail fits well with existing elements; greenscape and plantings need more work along highway; expressed no support for helicopter pad and that it is distracting and dangerous; that parking should be removed from street access due to pedestrian safety; concerned with traffic conflicts and congestion; and has issues with building height since it deviates from past and current Master Plans and planning regulations.

Commissioner Burns commented that additional retail could be harmful to existing retail businesses; that the Commission has heard numerous presentations on this property and that project has to be economically feasible; favors a movie theatre and brown stones; and that the development team is trying and that it could be a positive addition to the community.

Commissioner Robson further commented that the State of Michigan uses a formula for affordable housing and recommended that the owner promote apartments and rents that reflect the State formula if the units are referred to as affordable; inquired what the height would be if an additional layer of parking deck was added; requested views from residential areas and how it would impact those residents; that a buffer should be added near sidewalk on US-31 for safety reasons; inquired if brown stones were single family dwellings; and that the building height is too high and to consider a smaller or no conference center.

The development team responded to final comments and that they would have to discuss an additional layer of parking with the City; that the only way to add another layer is by doing deeper in the ground; that there have been no engineering studies yet for additional parking; that the property

is currently dug out for two decks; that adding a layer to top is not feasible; and that brown stones are single-family dwellings.

At this time, Vice Chair Andrews thanked the team and public for their input and felt the Commission had given the team direction on needed additional information.

Discussion on Medical Marijuana Ordinance Provisions

Staff reviewed that City Council requested the assistance of the Planning Commission to determine one to two possible locations for allowing three to four provisions centers. Staff researched various communities and how they are regulating the use and reported that zoning ordinance regulations for the use should include whether there are existing uses that need distance separation from other uses (i.e. buffers from schools, churches, parks and day care centers); which zoning districts are appropriate; whether it should be a permitted or special condition use; and whether special signage or lighting provisions are needed.

Commissioner Pall commented on buffering and is in favor of buffers such as 1,000 feet from schools and churches.

Commissioner Andrews inquired if the provisioning centers as a use, by zoning definition, would be treated differently than any other use.

Staff responded that the State allows communities that chose to opt-in to put specific restrictions on the use, including the number of establishments that may receive licenses which would be authorized by City Council under police power regulations.

Commissioner Neumann had concerns about the use; that if allowed should be a special condition use with 1,000-foot buffer; concerned with allowing these types of businesses in the CBD; and would rather see allowed in B-3 or B-3B zones as these are on highways.

Commissioner McDonald indicated he has not made a decision regarding community impacts of allowing marijuana; commented that Commissioners are deciding on medical not recreational marijuana locations; that he didn't know what the appropriate radius buffer was, but he is not opposed to having them located in the CBD.

Staff presented 1,000 foot buffers for schools and churches on the GIS map.

Commissioner Braddock supported it as a special condition use; favored buffers near K-12 schools as described in other communities, but not as strong for churches; and felt there were a lot of districts where a retail business could locate, including B-2B, B-3 and industrial zones.

Commissioner Andrews commented that 1,000 feet is arbitrary; concurred with Commissioner Braddock's comments; inquired on overlay zones and that the Commission should consider as an option; in favor of special condition uses, not permitted; and researched model communities that staff provided and that they are not comparative representations to Petoskey and that staff should conduct more research on different communities.

Staff responded that currently the City has no overlay zones.

Commissioner Burns suggested a subcommittee of Commission to research provisions and volunteered to serve if asked.

Commissioner Pall commented that he was at the March 4 Council meeting and that the City Manager recommended that the policy be deliberated; concerned with medical aspect; suggested the

Commission hear a presentation for education purposes; that these types of businesses aren't indicated in Master Plan; concurred that a subcommittee is a good idea; and opposed to allowing in the CBD.

Commission Robson commented that it is out of the Commission's purview to hear presentations and to leave ethical and moral issues to City Council consideration; that the Commission do what Council asked; that the CBD is proper place for provisioning centers; that the hospital zone may also be but is private property; favored overlay zones and would like to learn more about these types of zones; and that some communities have buffers as small as 250 feet.

Commissioner Andrews inquired if there have been any subcommittees for other ordinance development.

Staff reviewed that there was a subcommittee for food truck ordinance regulations, no committee for sexually oriented businesses and that committees sometimes expedite the process.

Commissioner Andrews asked for public comment and heard the following comments.

Kim Wills, 204 State Street, is opposed to allowing these facilities; that it will affect the entire community and lose Petoskey's charming character; encouraged Commissioners to read the book provided; and read aloud an excerpt "Lessons learned in four States" concerning health and developmental issues and crime.

Ann Carolan, 3730 East Mitchell Road, commented that she is in the education field; that society has a responsibility to children and it is disappointing allowing this type of business; that marijuana is stronger than ever; and that when forming regulations to consider children.

Reg Smith, 515 Lockwood Avenue, owner of Perry Hotel, commented that the CBD is geared towards a family friendly downtown experience and his preference is not to place provisioning centers in the CBD; supports medical marijuana; and that there are underutilized areas such as Kmart Plaza and industrial areas off of Sheridan that could benefit from viable industry.

Marie Law, 209 Summit Street, commented that there hasn't been a pharmacy downtown for 5+ years and residents and visitors survived; that people will have to come downtown for medication and vape shops; commented that churches include daily mass and school, not just functions on Sunday; and inquired if a special zoning district could be created for this type of business.

Commission Andrews responded that a special overlay district could be created as long as it follows zoning enabling laws.

Jim Ehrnst, 702 Elizabeth Street, commented that the majority of people voted to allow medical and recreational marijuana, so restricting is hindering the matter; that the Commission should reconsider buffers and be proactive for the community; and that there are tax benefits.

Greg Vagna, Boyne City Parks and Recreation Department, that medical marijuana provisioning centers are similar to microbrewery models from the past; that Commissioners should have a forward looking vision; and inquired that there would be no cultivation or growing, only provisioning centers.

The City Manager responded that City Council asked Planning Commission to provide recommendation for provisioning centers only.

Colin Anderson, 503 State Street, supports provisioning centers and that they are the same as bars and favors the opportunity for them to be located in the CBD with the most foot-traffic.

Michael Kazanowski, 414 State Street, supports centers be located in the CBD and commented on a similar experience that happened in Breckenridge, Colorado.

Commissioner Andrews responded that City Council will determine the number of permits and how many to allow in a particular zone.

Jeremy Wills, 204 State Street, commented that the City has buffers for bed and breakfast operations and that similar regulations should be considered for provisioning centers so that they are not clustered in one certain area.

James Dittmar, 914 East Lake Street, suggested the Commission consider the impact of allowing centers on the community; that medical and recreational are similar and not much difference; that there is not a lot of clinical data on matter; and is opposed to allowing centers.

Aaron Brooks, 1474 Kilborn Drive, commented that it is easier to be strict and become lenient; and to error on bigger buffer zones and then in time be less restrictive.

Johnathan Scheel, 506 North Division Road, concerned with parking issues with types of facilities in the CBD.

Marie Law, 209 Summit Street, lived in Telluride and shared stories that residents never locked doors until medical marijuana businesses were allowed and that there were a lot more transients on the streets.

David Marvin, Bear Creek Township, expressed that the Commission be patient and discuss matter thoroughly; believes in the effect of medical marijuana; opposed to centers in CBD and keep downtown family-friendly; and that allowing medical today will expedite recreational marijuana.

Dustin Boyer, 417 South Division Road, commented that he is a provider and meets needs legally and business is secure; and that centers should be allowed in centralized area.

Commissioner Braddock suggested forming a subcommittee.

Commissioner Burns would like a presentation to become more knowledgeable on issue.

Commission Robson concurred that the Kmart Plaza or Bed Bath and Beyond locations would address any parking issues; that it is not a health and safety issue, but rather a medical business and the City doesn't zone health and safety of alcohol abuse.

Commissioner Pall commented that based on studies there is an increase in youth use and the Master Plan indicates youth be considered when planning.

Commissioner Neumann commented that industrial zones are not a viable location due to future development and that B-3 and B-3B makes the most sense.

Commissioner Andrews is strongly opposed to allow centers in the CBD.

Commissioners concurred and directed staff to research and provide maps for 500 feet and 1,000 feet buffers for schools, churches, parks and colleges and provide best practices for overlay zones.

The City Manager reported that the City Attorney will weigh in on issue next month.

Upon motion by Commissioner Braddock and supported by Commissioner Burns, a special meeting for 7:00 P.M., Thursday, April 11, 2019 was scheduled to discuss medical marijuana ordinance provisions. Said motion was unanimously approved as submitted.

Commissioners discussed a possible presentation by SAFE and inquired on the urgency of ordinance provisions.

Postpone Fence Regulation Discussion

Upon motion made by Ms. Braddock and supported by Mr. Burns, fence regulations were postponed due to time constraints and discussion will occur at a future meeting. Said motion was unanimously approved as submitted.

Updates

Staff informed the Commission that the Master Plan process is proceeding and that Harry Burkholder will give a brief presentation at the next regular scheduled meeting with public input timeline; that the Little Traverse Bay Housing Partnership will conduct a community dialogue on housing from 7:00 P.M. to 9:00 P.M., April 22, 2019; and that City Council approved Darling Lot predevelopment assistance and that process would also be starting soon.

The meeting then adjourned at 10:00 P.M.

Minutes reviewed and approved by Dana Andrews, Vice Chairperson/Secretary.