



PLANNING COMMISSION

July 25, 2019

A special Planning Commission meeting was held in the City Hall Council Chambers, Petoskey, Michigan, on Thursday, July 25, 2019. Roll was called at 7:00 P.M. and the following were:

Present: Emily Meyerson, Chairperson
Betony Braddock
Bob Kronberg
Chad McDonald
Rick Neumann
Ted Pall
Cynthia Robson
Eric Yetter

Absent: Dean Burns

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

**Case #1-19 Preliminary PUD Rezoning Plan
for 200 East Lake Street, Petoskey Grand**

Chairperson Meyerson explained that this special meeting was scheduled due to a large agenda for the Commission's regularly scheduled July 18 meeting, that the public hearing on the request had been held in June, but given the length of the meeting, the Commission had not had sufficient time for discussion. She explained the meeting format and asked that comments be limited to new information to allow time for the Commission to discuss the request.

Bob Berg, 220 East Lake Street, thanked the Commission for their time and informed them that no changes had been made to the proposed PUD since their June meeting. He stated that he believes they have delivered what the community has asked for, they have held meetings with community groups, provided drone shots and renderings as requested and are asking the Commission for a vote. He corrected a notation in the agenda memo, stating that a national chain pharmacy was never proposed for this site and that he envisioned a mom and pop type pharmacy. He stated that the application is asking for three things: an increase in height allowance, property encroachment into the Emmet Street right-of-way and first floor residential on the corner of Lake and Petoskey Streets. He supports the downtown retailers and does not want to create competition for them by adding more retail space.

Mike Pattullo, Shoreline Architecture, gave a presentation and reviewed drone shots and renderings showing how the development will affect scenic views and pedestrian views and new included photos from farther away on Howard and Mitchell Streets.

Chairperson Meyerson commented that there have been questions as to how the drone images were created.

Mr. Pattullo stated that they have a 3D model that they use. They hired OHM to use an optimizer unit to find the longitude and latitude coordinates which were then entered into the 3D model to overlap the images.

Staff reviewed the intent of a PUD, the proposed uses, height and encroachment requests, and site eligibility of Section 2501. With regard to Section 2501(1) regarding the uniqueness features of the site, it was her opinion that the site met the criteria based on location of the block development at the west end of the B2 District, site topography, adjacent to a federal highway, and other items detailed in the applicant's statement. The second eligibility criteria was more subjective and it was the Commission's role to determine whether the proposed preliminary PUD rezoning plan resulted in improved design that met the criteria and that they should use the City Master Plan as a guide for evaluation. She had provided her analysis of how the development did or did not meet the goals of the Master Plan, which she would take questions on during Commission deliberation. She informed the Commission that they received a letter from Noah Marshall-Rashid and she made a correction on page 5 of the agenda memo to state "the majority of the development, other than the hotel, is within a few feet of existing three-story downtown buildings." She then read the overall community goals and objectives from the Master Plan.

Chairperson Meyerson commented that the preliminary PUD allows the developer to understand whether the Commission is onboard with the proposed uses and design and that this portion of the process is just a small piece of what needs to be done for final approval.

At this time, the meeting was opened for public comment.

Jeffrey Neill, 409 Lawrence Street, stated that he is very involved in the community and has deep roots and a love for this community. He is in support of this project and believes it is the best fit thus far. There are great incentives such as increased property values, tax revenues, a world-class conference center, increased employment, tourism and additional parking and would be beneficial to other businesses. He believes the hole is embarrassing and this is a great opportunity to improve it.

Justin Rashid, 1015 E Mitchell Street, and founder of American Spoon Foods, stated that the Master Plan emphasizes the city's unique views and he believes the developer should have been required to do a view shed analysis and that the views of town will be dwarfed from every angle. For these and other reasons, he does not believe the preliminary PUD should be approved.

Matt Meyer, Meyer Ace Hardware, stated that since attending the Chamber's Hot Topic presentation on this project he has been thinking more about downtown. While driving downtown he noticed that the only place you could see a view of the water was from the corner of Mitchell and Petoskey Streets and the only reason why is because of the hole. He believes the impact on the view will be minimal and not much different from what existed 20 years ago. The mix of uses will bring different draws to downtown and the conference center will be impactful as well. While this will not solve the parking issue, it will help and he believes that Mr. Berg is someone we want in this town. This is a first step in a long process but it is the most important step.

Sue Maskaluk, Petoskey Plastics, read aloud a letter from Paul Keiswetter in support of the proposed development. Petoskey Plastics has made a proposal to Mr. Berg to purchase 36 parking spaces in an effort to open up 36 parking spaces downtown and at the waterfront. They believe it is a great addition and will generate additional jobs.

Carolyn Bourland, 121 West Lake Street, stated that of all of the proposed developments this is her favorite. Her only concern is with the height and allowing two times the allowed height is a concern for

the character of the city. She and her husband spend time in Destin, a small fishing village in Florida. A 16-story condominium was constructed in this small village that allows eight stories and because no other buildings are anywhere near that height it can be seen for miles. She asked the Commission to consider how the height will change the character of the city.

Chuck Scott, 1105 Tall Pines Court and 120 East Lake Street, stated that he approves of the project. He believes some alternatives are to let the site remain as is, create low level shops with upstairs living space that is consistent with downtown, but not viable for a developer and if it is kept consistent it may not have the draw to bring people in. His business at 120 East Lake Street is 50-feet tall from the lowest grade. He has never heard a complaint about the height of his building. He likes the design of the proposed project and the brownstones, he believes it will bring more people to downtown and he encourages the project or an alternative to move forward.

Mary Mackin, 418 Grove Street, stated that she has a fear that Petoskey will become Traverse City. She urged the Commission to look at the Master Plan. While the proposal has so many things that the community wants, the height is terrifying. It will cast large shadows and destroy water views. She believes the plan is almost there but is still just a little too high.

Carlin Smith, Petoskey Regional Chamber of Commerce, stated that this year is the Chamber's centennial year and he has done a lot of research and discovered that the historic scale was different than it is today. A 1918 photo looking down Lake Street shows a theater in the same place with the same mass and size as the proposed project. He believes the loss of view shed is offset by the economic gain. This site is a redevelopment ready site that will add 41 residential units. While it will not create workforce housing it will allow for people to move in and more properties to become available. The Chamber Board endorses this project and encourages the Commission to vote yes.

Carla Crockett, 1043 Curtis Avenue, stated that she has lived here 20 years, enjoys traveling and volunteers in the community. She loves traveling for conferences and does so a lot. A conference center would bring so many people to the area and allow community members to attend conferences nearby. She believes the hole is an embarrassment and urged the Commission to vote yes.

Addie Belanger, 807 East Lake Street, stated that she has worked downtown for 12 years and that since Beard's opened on Lake Street there has been more energy and it has had a positive impact on business. She could not be more proud of this community and thinks this development will add people and excitement.

Karla Buckmaster, 3750 Pickerel Lake Road, stated that her biggest concern is the height and that she would like to see it stay close to the allowed height. If a Brownfield Transformational Tax Increment Financing District is approved, it will not just be the residents of the City that pay for this project but also the residents of Emmet County. She also voiced concerns about allowing an encroachment on City property as community members use this site to share their voice.

Steven Mullen, 121 State Street and Craig Ryan, stated that he moved here six years ago and he loves this town as it reminds him of where he grew up. This project will help us to keep moving forward, bring traffic into town and address the parking issue. He urged the Commission to approve the preliminary PUD.

High Stover, 4566 Indian Garden Road, stated that he is in favor of the project. This area is all about recreation. In 1949, Everett Kircher developed Boyne Mountain and today it is one of the top ten resort operators in the nation. In 1994, Dave Johnson developed Bay Harbor and more recently a developer improved Walloon Village and both have had a significant impact on the area. Mr. Stover believes that this project could have the same igniting affect.

Bob Howse, 719 Michigan Street, stated that looking back 15-17 years this seems like deja vu but this project is better. Looking back there was a petition circulated by those who did not want a development there and the issue was placed on the City ballot with the voters approving the development.

Richard Mooradian, 728 Lockwood Avenue, stated that he and his family moved back here 17 years ago because of the small town atmosphere. He is not opposed to the project but he has spoken with people who are concerned with the height dwarfing the city and believes the photos shown in the presentations were taken with a wide-angle lens, which distorted the view and stated that he would like to see that revised.

Mike Bartlett, Bear Creek Township, asked what the diameter of the Bell Tower was and asked why anyone would oppose a development that would add jobs, housing, and parking, generate revenue and remove an eyesore from the city.

Mr. Pattullo responded that the dome is 40-feet in diameter.

Mr. Berg commented that the Bell Tower is only 20% of the footprint of the hotel and is a historical feature that they observed from former hotels.

Tracy Trivage, downtown employee, stated that she is in total support of this project and believes it will spur business downtown.

Mary Olmsted, 308 Sunset Road, stated that the public spoke when voting for a 40-foot maximum height and Mr. Berg knew what the property was zoned when he purchased it. She urged for an expert opinion on parking, traffic and the financials to ensure this is the real deal. She also urged that a shadow impact study be done.

Brian Wagner, 200 West Lake Street, stated that the MEDC is saying that communities need to consider increased height to avoid sprawl.

George Robson, 606 Grove Street, stated that Beard's has been a tremendous success and it is at an allowed height.

Mrs. Bourland stated that no one is against the development but there are many concerns about the height.

There being no further comments the meeting was closed for public comment. Chairperson Meyerson then opened the Commission deliberation.

Commissioner Yetter said that he heard the concerns regarding the height but is unsure what that means. Do tall buildings have an effect on you personally or on the town? He had looked at the Master Plan, which is intended to be used as a guide. He felt the Commission needed to be flexible because not all projects will fit all parts of the plan. He had also read the City's Economic Strategic Plan that was more recent and read from the document. He believes this project creates jobs, housing and economic growth. The strategic plan identified 200 E Lake Street as the highest priority redevelopment site and believed that the Commission should not get bogged down with the height as it is outweighed by the project benefits.

Commissioner Pall stated that many positive things have been said but he has concerns about the height being double what is allowed and the Master Plan gives a very clear direction on height. He wanted to be clear that the preliminary PUD is just the first step, but an important step in the whole process. The hotel and conference centers are positive aspects of the project and he can see both sides regarding the brownstones. He would like to maintain the small town feel and Hyatt Palma was very clear about the entrance to town being historic. He does not believe the drone pictures are

accurate or to scale as he himself took pictures from the breakwall and four other sites and it is clear that the images in the presentation were taken with a wide-angle lens which changes the perspective to make everything look smaller and that is not acceptable. In regards to discussion on parking, there would be 136 spaces left of which Petoskey Plastics has asked to purchase 36 and this is a concern as there will not be adequate parking for the hotel, housing, etc. He also voiced concerns about traffic circulation and believes a traffic study needs to be done. The Emmet Street right-of-way encroachment is a City Council decision, not a Planning Commission decision.

Steve Warner, Shoreline Architecture, informed the Commission that all photos are to scale and were taken with a 50mm Nikon lens but the drone shots are wide angle. He invited Commissioner Pall to come to the office to view the equipment used and photos taken.

Chairperson Meyerson confirmed that the preliminary PUD is just the first step and that it is an important step.

Commissioner Braddock commented that overall she loves the plan and believes there is a great mix of uses. The main concern seems to be the height but she believes that the project overall offers more good than bad. The drone photos were eye opening and she has no issue with first floor residential.

Commissioner McDonald thanked the public for their input and stated that as the Commission looks forward they need to consider the site and the options that the developer has to contemplate. To keep the parcel zoned B-2 is short sighted and mixed uses is forward thinking. He supports a PUD and while he had issues with the height, his objections have lessened.

Commissioner Kronberg referenced Blueprint Petoskey and read aloud the points from the outcome of the community design sessions about the waterfront: will be enhanced as the community's most important asset; development policies and practices will protect views of the lake; future development will contribute to the unique sense of place, reflecting the culture and history of the community; future development will take cues from the best aspects of downtown with respect to mix of uses, quality pedestrian environment and scale of buildings; redevelopment and infill development will be sensitive to their context relative to scale, character, and placement. He does not believe that the brownstones will help reduce sprawl as they will most likely be purchased by out of town buyers and will not free up workforce housing. He has lived here 50 years, likes to travel and always looks for a view of the water whether he is walking, biking or at home. He likes everything about the plan but the height and understands the economic benefit but this is too tall for the entry to town. While the building is beautifully stepped back the height needs to be lessened 20 to 30 feet. He then asked if the pharmacy and theater would be provided by the project or if it would be space for someone else to provide these services.

Mr. Berg responded that at a community meeting there was overwhelming support for a conference center. While movie theaters do not make money, they draw the community and are important to them. He has studied the Lyric 501(c)(3) model, this is the model that will be used, and the space would be provided with a fairly low rental rate. He has received interest from small mom and pop chains for the pharmacy and would lease space to a professional pharmacy operator. Mr. Berg informed the Commission that the project would not break ground until all of the economic risk is removed, meaning there are tenants identified. The 11 brownstones will be the only part of the property to be sold, everything else will be leased. He also stated that very little of the development is at the 90 feet height and that the current zoning of 40-foot height will also remove views and does not require parking.

Chairperson Meyerson asked staff for clarification on whether or not the 40-foot height restriction was mentioned in the Master Plan.

Staff responded that it was not in the master plan, it is the height limit of the B-2 Central Business Zoning District.

Commissioner Robson stated that her biggest concern is height and questioned the different heights given and what the height was. If the development were approved at a height of 50-feet, it would be 25% greater than allowed in the B2 District and at 90-feet, it would be 225% greater. Other towns only allow a 25% to 30% variance from the allowed height in a PUD. She believes the height will destroy the character of the town but likes the idea that it is less dense than previous proposals. She recommended foregoing the pharmacy and theater to allow more space for the conference center. She voiced concerns about the brownstones as it is not what the CBD intended and if they were allowed, she would like to see them redesigned so they could be converted to retail space in the future, if needed. The right-of-way as a public space is a part of placemaking and while she would be sorry to see it go, the decision is up to City Council.

Staff responded that 90-feet is the average height of four street fronting elevations.

Commissioner Neumann stated that the elements and standards are required to be met and the site and its characteristics make it eligible to be a PUD. He does not have any issues with the Emmet Street right-of-way but the highway divides town from the water and he would like to see an overhead bridge installed, like the one in Bay View, and believes this space could be utilized for it. Height is an issue and a story shorter would be nice but the height is a relatively small portion of the hotel in the center of the block and the density is a lot less than Petoskey Pointe. His biggest issue and deal breaker is first floor residential. He believes that downtown first floor commercial space is a “commons resource” and is a limited resource in the downtown. He does not support allowing residential uses in areas where this limited commons resource belongs. The space does not have to be retail but could instead be used as a commercial space and the upper floors would be great condominium space.

Chairperson Meyerson stated that she has thought a lot about the project and has heard many good points. Although it is tall, the height is in the middle, the density is lessened, and that is a tradeoff. While there are concerns about it blocking the view, any building there would do the same and it is not public land so the view is not protected. She agreed with Commissioner Neumann on the brownstones and believes that a strong retail core is important to downtown. If people see other businesses they will walk to them but she is concerned that if they see residential units they will turn around. She also is concerned about the Emmet Street right-of-way as it is public land and it has become very evident that people use it as a public space. It would be nice to create a little park there for the public. She would love to approve the proposal as is but cannot. She could say yes with changes to the brownstones and the Emmet Street right-of-way. She stated that she believes everyone agrees that it has a unique character and meets the criteria of a unique site for a PUD.

Commissioner Neumann commented that it is hard to imagine the right-of-way as a park.

Commissioner Kronberg stated that he believes it should be kept as a green space and acknowledged as a public space.

Commissioner Pall asked if the screening was to hide the parking ramp.

Mr. Berg responded that the shrubs and water feature were designed to hide the highway noise and the wall of the parking ramp from public view.

Commissioner Robson stated that the right-of-way has placemaking value, adds to the character of town and it would be nice to see it preserved. She suggested lowering the parking structure down a story to decrease the overall height and to create a TIF for funding of a parking structure on Michigan Street.

Commissioner Neumann commented that they could not just lower the parking structure by a story because it would move the main level below ground. They would have to eliminate a story above the lobby level.

Chairperson Meyerson asked what the height would be if the Bell Tower were removed.

Mr. Pattullo responded that the height to the roof deck is 70-feet and reminded the Commission that the bulk of the height is in a small area near the south elevation.

Commissioner Pall stated that the bulk of the building is 71-feet tall and if a story were removed, it would be 61-feet tall. He imagined the applicant would want to keep the Bell Tower feature and suggested reconfiguring the Lake Street side and create a new design. He stated that Shoreline Architecture created a nice 3D model for the City-County parking structure study and it would have been helpful to have a 3D model to show the step back for this project.

Mr. Pattullo stated that not all height is created equal – they put the height in the middle to avoid mass along the perimeter and stepped back to lessen the impact. What Commissioner Pall is proposing would increase the mass along the perimeter.

Chairperson Meyerson asked the Commission if the height was acceptable.

Commissioner Kronberg stated that they did not have to approve the height and he would prefer that the Bell Tower be removed.

Chairperson Meyerson stated that the applicant would like to know if the height is approved.

Commissioner Pall commented that he believed a restaurant at that level would be expensive.

Mr. Berg responded that the hotel would have two restaurants. One in the lobby and one on the rooftop and both are meant to be good dining experiences. Public access to the rooftop restaurant is a tremendous benefit to the city.

Chairperson Meyerson commented that she believes the roof top restaurant would be high end and asked if there could be a public viewing area designated for visitors to take in the view.

Mr. Berg responded that in order to designate something as public there would have to be a space that is private and that does not exist here. There would be no requirement to purchase anything to enjoy the view, it is part of the project for the community.

Commissioner Yetter commented that he likes the brownstones as they offer a different lifestyle downtown, are inviting, and provide a nice use and option. He is not concerned about the lack of retail space.

Commissioner Robson stated that she believes brownstones on Rose Street make sense but this is in the heart of downtown. She agrees that people will see residential units and turn around rather than continue down the street.

Commissioner McDonald commented that there had been no discussion of how downtowns are becoming more attractive as places to live and thinks that the architectural difference is alright.

Mr. Pattullo commented that the brownstones are proposed as a first floor residential use but could be another use such as retail. Office space will not do anything more for downtown than the brownstones will. A theater will enhance Petoskey Street, the pedestrian access to the hotel is from Petoskey Street, and that the project is adding 33,000 square feet of commercial space to the downtown.

At this time, Commissioner Yetter made a motion, with support from Commissioner Braddock, to approve the preliminary PUD request for 200 East Lake Street as presented.

Commissioner Pall asked if the motion could also require that the request meet the site eligibility requirements of Section 2501, provide direction on any additional studies needed before consideration of a final project site plan that meets the requirements of Section 2504(6) such as parking and traffic circulation studies or further visuals to evaluate building heights.

Commissioners Yetter and Braddock agreed to these additions.

Commissioner Meyerson restated her concern with the brownstones and asked if Commissioner Yetter would consider an amendment that the development re-imagine the brownstones to include first floor commercial space.

Commissioner Yetter was hesitant to accept the amendment.

Mr. Berg asked the Commission for a yes or no vote on the plan as submitted.

Commissioner Yetter changed his motion back to his original motion and upon a roll call vote; the motion failed 3-5, with Commissioners Kronberg, Meyerson, Neumann, Pall and Robson voting against the motion.

Updates

Staff informed the Commission that LIAA has scheduled the Master Plan Community Sustainability Forum for the Special September 5th Commission meeting with experts on social equity, public health, and urban forestry components of resiliency and sustainability planning efforts.

Chairperson Meyerson asked about the Darling Lot and staff responded that there would be three conceptual ideas going to City Council on August 5th.

The meeting then adjourned at 10:05 P.M.

Minutes reviewed and approved by Cynthia Robson, Vice Chair/Secretary