



## PLANNING COMMISSION

September 15, 2022

A regular Planning Commission meeting was held in the City Council Chambers, Petoskey, Michigan, on Thursday, September 15, 2022. Roll was called at 6:00 P.M. and the following were:

Present: Cynthia Linn Robson, Chairperson  
Betony Braddock  
Doug Buck  
Carolyn Dettmer  
Rick Neumann  
Ted Pall  
Charles Willmott

Absent: Richard Mooradian

Others: Connie Barker, 1102 Priebe Avenue  
Matt Fettig, 906 Michigan Street  
Rochelle Martinez, 1105 Priebe Avenue  
Dave McIntosh, 512 Morgan Street  
Albert Moss, 510 Hillcrest Avenue  
Reg Smith, 600 Arlington Avenue  
Dan and Karen Verkerke, 1104 Priebe Avenue

Staff: Zach Sompels, City Planner  
Shane Horn, City Manager  
Lisa Denoyer, Administrative Assistant

Upon motion and support, the minutes of the August 18, 2022 regular meeting were approved with changes. Motion carried 7-0.

### **Public Hearing on Proposed Changes to the Height Allowance in the B-3a Zoning District**

**Action Taken:** Commissioner Pall made a motion, seconded by Commissioner Willmott, to keep the existing height and make no changes at this time.

Motion passed 4-3 with Commissioners Buck, Neumann and Robson voting nay.

**Discussion:** Staff reviewed the B-3a zoning district on the zoning map and explained that the Petoskey News Review had incorrectly reported the proposed height as four stories, instead of three stories/37-feet. Staff then reviewed the process for variance approval and the need for a practical difficulty as comments had been received that a property owner could simply get a variance.

Commissioner Pall asked if the bay side of a building could be taller on a structure along the highway. Staff responded that the height would be measured on the street facing side of the building.

The public hearing was opened at 6:12 P.M. and the following comments were heard:

Dave McIntosh, 512 Morgan Street voiced concerns with the increased height negatively impacting the charm of the entrance to town and the panoramic view of the bay. He also voiced concerns with new hotels having staff shortages and increased parking of commercial vehicles in residential areas. He asked if a study had been done that showed the need for more hotels, if anyone had requested a variance for a taller building or requested to change the ordinance.

Albert Moss, 510 Hillcrest Avenue, commented that the bay is a large reason for Petoskey's robust tourist industry and stated that he is opposed to the proposed change and voiced concerns with light pollution and the negative impact it would have on nearby residential neighbors.

Rochelle Martinez, 1105 Priebe Avenue, stated that she agrees with her neighbors and added her concerns with noise pollution as well. She also gave a brief history on the mission school that was built in 1852 on the site where the Days Inn and Odawa headquarters building are located today.

Reg Smith, 600 Arlington Avenue, commented that the hotel industry is doing well and he believes there is a need for more hotels. The limited supply of hotel rooms makes staying in Petoskey more expensive due to the high demand. He stated that he believes Airbnb rentals are more harmful and one way to avoid them is to have more hotel rooms available. He believes the city does not need more offices, that development near the old Kmart plaza never really took off and it is important that hotels be placed where they can be viable.

Karen Verkerke, 1104 Priebe Avenue, stated that she is a neighbor to the Apple Tree Inn and has had a lot of grief, lawsuits, etc. because of issues with the neighboring business. She stated that she often has rubbish in her yard that guests discard, she can see visitors in their hotel rooms and they in turn can see into her home. She opposes the proposed change as it would impact the view of the bay, increase traffic, noise, etc. She installed a fence and other plantings in an effort to keep hotel visitors from entering her property or being able to see into her home and does not feel added hotels would be fair to the neighboring community as they are the ones that have to deal with the hotel owner.

Mike Williams, 509 Grove Street, stated that he owns an apartment building at 777 Hayner Drive and is opposed to the height increase. The view of the bay draws people in and that view would be blocked for the tenants of his apartment building if a three story building were allowed. He commented that he is not opposed to change and believes there are other areas in town that hotels could go up that would not impact the view of the bay.

Connie Barker, 1102 Priebe Avenue, commented that she and her husband recently purchased their home on Priebe Avenue and had no idea how the third and fourth floors of the neighboring Apple Tree Inn would negatively impact them, as well as the sound of car alarms, slamming doors, lights and hotel visitors being able to see into their home. She stated that she hopes the Planning Commission would consider not allowing third or fourth story hotels in residential areas.

Dan Verkerke, 1104 Priebe Avenue, asked the Commission how they would feel if this were proposed for their back yard and that they listen to the comments being received from the neighbors. He fought 35 years ago to prevent the Apple Tree Inn from being built and believes there are other more suitable locations for hotels. He commented that car alarms go off for 15 minutes or more, car doors slam and people talk loudly in the parking lot at all hours of the day and night, which is very disruptive to the neighbors.

Chairperson Robson gave a summary of each letter that was received by the public voicing their opposition to the proposed height change.

There being no further public comments, the public hearing was closed at 6:55 P.M.

Commissioner Pall asked if the City had received any specific requests for a hotel or height increase and commented that the previous City Planner had suggested this as a topic for discussion as she was unsure if the height restriction would prevent the hotel that burned down from being rebuilt.

Staff responded that no request had been received and that the proposal was part of a plan to be proactive for future development.

Chairperson Robson commented that changing the zoning of one parcel would be considered "spot zoning" and is not allowed and that variances can only be approved if there is a problem with the property that hinders it from being built to the ordinance standards.

Commissioner Braddock asked if there would be an avenue for an increased height if the language of the ordinance were not changed.

Staff responded that a Planned Unit Development (PUD) would be required.

Chairperson Robson responded that a much larger parcel would be required for a PUD.

Commissioner Neumann commented that he believes the PUD on the west side of Spring Street is the reason why there are not properties zoned B-3a and that the previous height change to two stories in the B-3a district was because of controversy that came from the construction of the Apple Tree Inn.

Chairperson Robson asked staff if he knew the current height of the Apple Tree Inn. He responded that he believed it was around 45 to 50 feet tall.

Commissioner Willmott thanked the public for attending and for their input. He commented that the Commission's mission is affordable housing and there is not a lot they can do other than break down barriers. The proposed change would not just allow hotels, it would also allow condominiums but that will not happen with a two-story height restriction.

Chairperson Robson read aloud the principal uses permitted in the B-3a district and commented that if multiple family residential was allowed at two stories/25-feet, that the Commission should consider allowing three stories. Not only hotels and motels would be allowed to be constructed in this district. There are a range of uses that could be built.

Commissioner Pall thanked the public for attending and explained that a lot of what the Commission does is based on the Master Plan. He also commented that there is no question that there is a shortage of hotel rooms in the summer months and the impact on the neighborhood is real. Considering a height increase makes sense on one hand but given there has been no requests or proposals and after hearing public comment he was not convinced that a change was needed now.

Commissioner Braddock also thanked the public for their comments and stated that she typically would not say she is in favor of height increases but wanted to be sure that a development could come in and be built. After hearing the public comments and that no requests for a change has been made, she was uncomfortable with the proposed change and agreed that a hotel has the potential to help reduce the number of short term rentals.

Commissioner Neumann commented that he could see moving forward without a specific development request and felt the Commission should move toward approval.

Commissioner Dettmer commented that she too loves the view of the bay and she believes allowing three story buildings will negatively impact the view. She believes there are ways to increase density at two stories and she was opposed to the proposed height increase.

Commissioner Willmott commented that he feels a height increase would have a negative impact and that concerned him. He stated that he could not see development happening if the height was not increased where the hotel burned down on the corner of Sheridan and Spring Streets. He also stated that condos could be attractive and better neighbors and he agreed to defer voting for the change.

Commissioner Buck cautioned the Planning Commission on saying no to development as it needs to be addressed. There are limits to where resort type business can go and the B-3a district is intended for them. He heard the public comments and how hotels impact residential properties in the area and it creates a unique challenge.

Chairperson Robson commented that districts abutting residential neighborhoods have more strict setbacks.

Staff commented that any construction along the corridor would require a site plan review.

Commissioner Pall commented that he recalled a request for first floor condos at the old Whitecaps building where it was stated that no first floor commercial use would work.

Commissioners then discussed the possibility of modeling or renderings to help visualize impacts on the view of the bay. Staff responded that a consultant would be needed for those type of tools and funds would need to be budgeted.

### **Public Hearing on Proposed Sign Ordinance** **Language to Allow Halo Lit Signs**

**Action Taken:** Commissioner Pall made a motion, seconded by Commissioner Buck, to approve the following language for Halo Illuminated Signs:

#### *Section 2.1*

Halo illuminated signs – Signs consisting of individual, internally illuminated letters and graphics with opaque face and sides. Halo illuminated signs are characterized by indirect, steady and constant illumination, with all illumination projecting from the rear of each letter or graphic onto the background surrounding the letters.

#### *Section 3.1(5)*

Halo illuminated signs must meet the following criteria:

- The lighted area that exceeds the solid surface of the sign face shall count as part of the signs calculated area;
- Only neutral light tones may be used;
- No neon lights shall be permitted;
- The face and sides of letters and graphics shall be opaque;
- All lights, transformers, fasteners, spikes, zappers and connections shall be concealed from view;
- Up to 20% of the total sign area may be the lighted portion of the sign;
- Halo illuminated signs shall follow the size restrictions laid out under wall signs and free standing signs in their prospective districts; and
- No sign shall emit more than 100 Nits.

Motion passed 7-0.

**Discussion:** The public hearing was opened for comment at 7:47 P.M. No public comments were received so the public hearing was closed.

Commissioner Buck commented that he was in favor of this type of lighting and suggested the addition of the addition of “steady and constant” be added to the proposed definition. He also felt other changes needed to be made within the sign ordinance to be consistent throughout.

Staff responded that Commissioner Buck had made some great points although he felt the proposed changes would be fine. He stated that the Commission could come back to the sign ordinance and make adjustments at a later date as a public hearing is required for changes.

Commissioner Neumann asked if the Commission could pass the language with proposed changes and staff responded that they could not.

Commissioner Neumann then asked if the Commission could approve the proposed language with the addition of “steady and constant” and change the rest of the ordinance in the future. Staff responded that they could.

Chairperson Robson stated that she was not opposed to adding constant and steady to the definition now and cleaning up the other suggested changes in the future.

### **Discussion on Priority Action Items**

Commissioners discussed various items from the action item lists provided and agreed that a joint meeting with the Downtown Management Board would be a good place to start with reviewing first floor housing options in the B-2 Central Business District as a way to reduce barriers on housing.

Matt Fettig, 906 Michigan Street, commented that he believes density and parking requirements are items that the Commission should consider looking at as priority discussions to help with housing barriers in the residential districts.

### **Election of Officers**

Commissioner Willmott nominated Cynthia Linn-Robson to continue as Chairperson and Commissioner Neumann nominated Ted Pall to continue as Vice Chair/Secretary.

Both Commissioners accepted their nominations and will continue in their roles for another year.

Chairperson Robson reviewed the candidate selection rules with the Commission prior to nominations.

### **Public Comments**

No comments were received.

### **Commissioner Comments**

No comments were received.

### **Updates**

Staff asked the Commission if they had any recollection of a draft zoning matrix that had been presented to them by the previous City Planner. There is a draft/non-codified copy of the matrix on the City’s website. However, it does not appear that the document was ever adopted by the Commission.

Staff then asked the Commission if they would consider scheduling a special meeting prior to their October meeting to discuss medical marihuana. Commissioners agreed and scheduled a special meeting for 6:00 P.M., Thursday, October, 6, 2022.

Staff presented a letter to the Commission that was received from Emmet County Office of Planning, Zoning and Construction Resources regarding zoning changes for two properties that are adjacent to the City of Petoskey. Two public hearings will be held on October 6, 2022 to consider the zoning changes. Commissioners voiced support for both proposals.

Staff then informed the Commission that the appeal deadline to overturn a court's decision for 615 Michigan Street had expired and staff was working with the owner on the removal of the non-conforming structure. He also informed the Commission that he heard that the application for the Lofts at Lumber Square, 900 Emmet Street, was looking favorable for funding; and Bay Street Urgent Care, 624 Charlevoix Avenue, was finishing up with last minute requirements on their landscaping and the privacy fence to be installed along the Lincoln School playground will be arriving soon.

Commissioners welcomed Doug Buck as the newest member of the Commission.

The meeting was then adjourned at 8:56 P.M.

Minutes reviewed by Ted Pall, Vice, Chairperson