



CITY COUNCIL

August 3, 2015

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, August 3, 2015. This meeting was called to order at 7:00 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: William Fraser, Mayor
Kate Marshall, City Councilmember
John Murphy, City Councilmember
Grant Dittmar, City Councilmember
Jeremy Wills, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry, City Planner Amy Tweeten and Director of Public Safety John Calabrese.

Resolution No. 18888
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of August 3, 2015, City Councilmember Wills moved that, seconded by City Councilmember Marshall adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the July 20, 2015 regular-session City Council meeting be and are hereby approved; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since July 20 for contract and vendor claims at \$964,594.75, intergovernmental claims at \$336,459.30, and the July 30 payroll at \$196,092.77, for a total of \$1,497,146.82 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)
NAYS: None (0)

Hear Public Comment

Mayor Fraser asked for public comments and there were no comments.

Hear City Manager Updates

The City Manager reviewed that the City received a \$10,000 grant from MDNR for footbridge design and engineering over the Bear River North Country Trail; that the Parks and Recreation Commission, Planning Commission and then City Council will review the Greenway Corridor meeting summaries with Parks and Recreation Commission having final approval; reviewed street crossings and that some parking meters will be relocated; and that a summary of final parking determinations was prepared and will be implemented this fall.

The City Planner next reviewed the proposed Resolution No. 18889 - Adopt Ord. 751 amendments to the R1 and R2 Single Family Districts. Amending R1 & R2 Single Family Districts As an implementation of the Master Plan, the Planning Commission had been reviewing and recommending updates to the Zoning Ordinance to make it align with the plan goals and objectives. In addition, a review of frequent variance requests indicated what changes may need to be made, particularly in the single family districts as this is where the majority of the variance requests originate.

The City Planner reviewed that the Planning Commission recommended several amendments to the R-1 and R-2 Single Family Districts including allowing home businesses with conditions; increasing lot coverage ratios to reduce the number of variance requests; correcting references to street classifications; reducing lot area regulations for two-family dwellings; using an average of existing building front-yard setbacks instead of an arbitrary 25 feet; and allowing slightly taller accessory buildings (16 feet vs. 14 feet) with an increased setback (5 feet from side and rear lot lines vs. 3 feet). The changes are proposed to fulfill the master plan design principles, goals, objectives and strategies.

City Council conducted the first reading of the proposed ordinance amendments at their July 20, 2015 meeting. The City did not receive any correspondence regarding these proposed amendments.

Mayor Fraser asked for public comments and there were no comments.

City Councilmember Marshall moved that, seconded by City Councilmember Wills adoption of the following ordinance:

ORDINANCE NO. 751

AN ORDINANCE TO AMEND SECTIONS 401, 402, 1600 AND 1703 OF THE CITY OF PETOSKEY ZONING ORDINANCE

The City of Petoskey ordains:

1. Article IV, Sections 401 and 402, of the Zoning Ordinance of the City of Petoskey are hereby repealed and replaced by the following:

Sec. 401 PRINCIPAL USES PERMITTED

In a Single-Family Residential District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses unless otherwise provided in this Ordinance:

1. Single-family detached dwellings provided that such dwellings meet the following minimum standards:
 - a. The dwelling and any additions to said dwelling shall be permanently anchored to a foundation. The foundation shall be constructed in accordance with the city building code and all state regulations.
 - b. The dwelling shall have permanently attached steps connected to the exterior door areas or to porches connected to said door areas where there is a difference in elevation between the dwelling floor and exterior grade or porch of seven and one-half (7-1/2) inches or more.
 - c. The dwelling unit shall have a minimum exterior width of twenty-four (24) feet and a minimum depth of twenty-four (24) feet. Attached garages shall not be included in width or depth measurements.
 - d. The dwelling roof shall meet the live load standards of the city building code.

- e. Wheels, towing or transportation mechanisms shall be removed from mobile-or modular-type dwelling units. The mobile or modular dwelling units shall be installed pursuant to the manufacturer's setup instructions.
 - f. In addition to the requirements of paragraphs a., e. above, in the case of a mobile home, the mobile home shall be secured by an anchoring system compatible with those required by the Michigan Mobile Home Commission regulations. Mobile homes shall also comply with U.S. Department of Housing and Urban Development construction safety and energy standards. (Effective June 16, 1976).
2. Publicly owned marinas, libraries, parks, parkways and recreational facilities.
 3. Cemeteries which lawfully occupied land at the time of the adoption of this Ordinance.
 4. Public, parochial and other private elementary schools offering courses in general education and not operated for profit.
 5. Accessory building and uses customarily incident to any of the above-permitted uses, including:
 - a. Sales of personal items from a private residence, such as garage or yard sales, are allowed for no more than three (3) days in any ninety (90) day period.
 6. Bed and breakfast operations as a subordinate use to single-family dwelling units and subject to city licensing provisions.
 7. Home Businesses subject to the following:
 - a) Are incidental to the primary residential use.
 - b) Are conducted entirely within a structure and not evident in any way from the street or from any neighboring premises.
 - c) Do not involve any outdoor activities, and have no visible display or storage of goods from outside the dwelling unit.
 - d) Business is carried on only by the inhabitants of the building.
 - e) Do not change the character of the building in which it is conducted.
 - f) Do not constitute, create or increase a nuisance.
 - g) Employ only mechanical equipment which is similar in power usage and type used for household purposes, home offices, or hobby workshops.
 - h) Devote no more than the equivalent of twenty-five (25) percent of the principal building to the home business wherever located.
 - i) Business-related traffic is restricted to between the hours of 8:00 A.M. and 6:00 P.M.
 - j) Must not require business-related parking in excess of two (2) spaces.
 - k) Must not generate vehicle trips in excess of ten (10) trips per day.

Sec. 402. PRINCIPAL USES PERMITTED SUBJECT TO SPECIAL CONDITIONS

The following uses shall be permitted, subject to the conditions hereinafter imposed for each use and subject further to the review and approval of the site plan and Section 1717 Standards of Review.

1. Churches and other facilities normally incidental thereto subject to the following conditions:
 - a. Buildings of greater than maximum height allowed in Article XVI Schedule of Regulations may be allowed provided front, side and rear yards are increased above the minimum required yards by one (1) foot for each foot of building height that exceeds the maximum height allowed.
 - b. The site has frontage or direct access to an existing or planned principal or minor arterial.

2. Public, parochial and private intermediate and/or secondary schools offering courses in general education, not operated for profit when the site has frontage or direct access to an existing or planned principal or minor arterial.
 3. Utility and public service buildings and uses (without storage yards) when operating requirements necessitate the locating of said building within the district in order to serve the immediate vicinity.
 4. Non-public recreational areas and recreation facilities when not operated for profit and primarily intended to serve residents of a planned development.
 5. Colleges, universities and other such institutions of higher learning, public and private, offering courses in general, technical, or religious education and not operated for profit, subject to the following conditions:
 - a. Any use permitted herein shall be developed only on sites of at least forty (40) acres in area.
 - b. All access to said site shall be directly from a principal or minor arterial.
 - c. No building shall be closer than eighty (80) feet to any property line.
 6. Cemeteries subject to the following:
 - a. All sides of the cemetery shall be adequately screened from any residential view.
 - b. All access to said site shall be directly from a principal or minor arterial.
 7. Municipal office buildings when in character with the neighborhood.
 8. Accessory buildings and uses customarily incident to any of the above permitted uses.
 9. Two-family attached dwellings subject to the following standards:
 - a. All regulations as contained in Article XVI, Section 1600, Schedule of Regulation for Uses, in accordance with the district in which the parcel is located.
 - b. A two-family dwelling shall meet parking requirements of Section 1704.
 - c. A two-family dwelling shall not allow a garage to protrude beyond the front building plane.
2. Article XVI, Section 1600 of the Zoning Ordinance of the City of Petoskey is hereby repealed and replaced by the following:

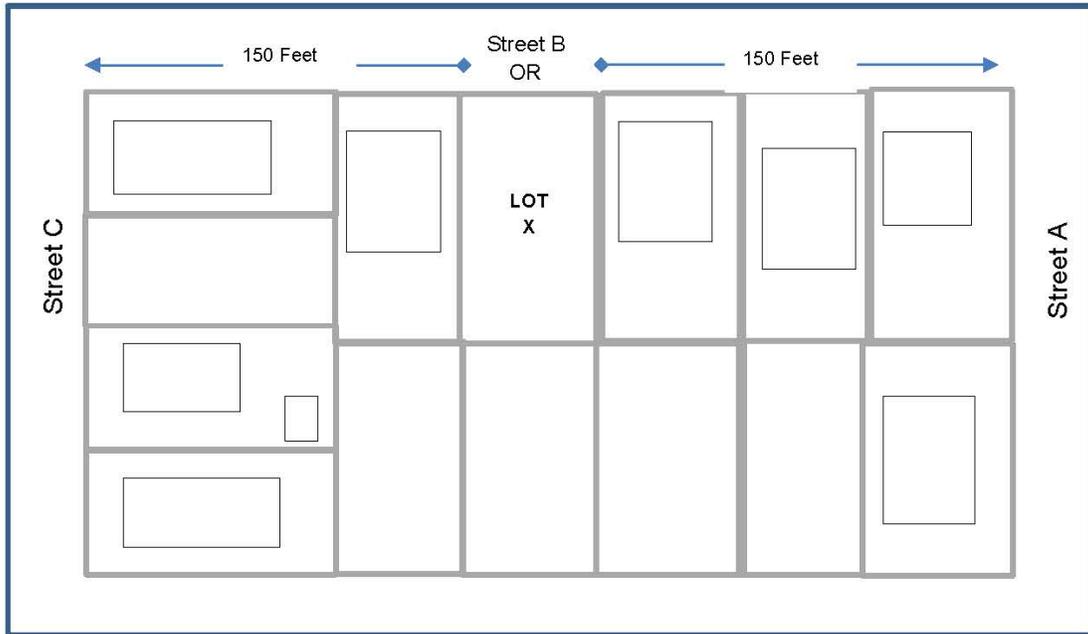
ARTICLE XVI - SCHEDULE OF REGULATIONS
SEC. 1600. SCHEDULE LIMITING HEIGHT, BULK, DENSITY AND AREA BY ZONING DISTRICT

ZONING DISTRICT	Min. Lot Size Per Unit		Max. Height of Structure		Minimum Yard Setbacks (Per lot in Feet)			Max. Lot Coverage (All Buildings)	
	Area in Sq. Ft.	Width in Ft.	In Stories	In Feet	Front	Side Yards Side (one) Side (total of two)	Rear		
R-1 SINGLE FAMILY	8,400 (a)	70 (a)	2.5	25	(b)	10 (c)	20	35	30%
R-2 SINGLE FAMILY	7,200 (a)	60 (a)	2.5	25	(b)	5 (c)	15	35	33% lots 7,200 Sq. Ft or greater 35% lots less than 7,200 Sq. Ft.
R-3 SINGLE FAMILY	6,000 (d)	50	2.5	25	(b)	5 (c)	15	35	35%
RM-1 MULTI-FAMILY	(e)	(e)	2	25	(f)	10 (f)	20 (f)	35 (f)	25%
RM-2 MULTI-FAMILY	(e)	(e)	3	33	(f)	10 (f)	20 (f)	35 (f)	30%
B-1 LOCAL BUSINESS			2	25	(b,g)	(h,g)	(h,g)	20 (g)	
B-2 CENTRAL BUSINESS			3	40	(p)	0	0	0	
B-2A TRANSITIONAL BUSINESS			3	33	(g)	5	10	0	
B-2B MIXED USE CORRIDOR			3	33		5	10	5	
B-3 GENERAL BUSINESS			2	25	(b,g)	(h,g)	(h,g)	20 (g)	
B-3a RESORT COMMERCIAL		150	2	25	(l)	20 (g)	40 (g)	40 (l,g)	
B-3b BUSINESS INDUSTRIAL		(o)	2	25	(m)	10	30	20 (n)	
O-S OFFICE SERVICE			3	30	(g)	(h,g)	(h,g)	20 (g)	
I-1 LIGHT INDUSTRIAL			2	25	(l)	20 (g,j)	40 (g,j)	(l,g,k)	
I-2 GENERAL INDUSTRIAL			3	35	(l)	30 (g,j)	60 (g,j)	(l,g,k)	

3. Article XVI, Section 1600(1)(b) and Section 1600(1)(c) of the Zoning Ordinance of the City of Petoskey are hereby repealed and replaced by the following:

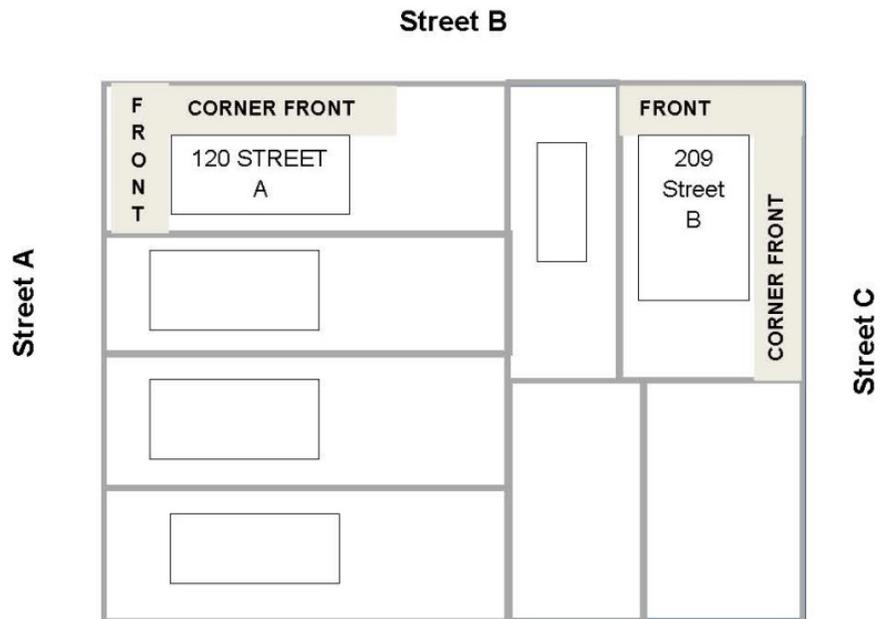
Section 1600(1)(b) The minimum front yard setback is the average of the front yard setbacks for the houses within 150 feet on either side of the subject property. See Lot X in Figure A below

Figure A
Front Yard Setback Averaging



Section 1600(1)(c) The minimum corner-front yard setback shall be the average of the front-yard setback of the existing houses within 150 feet on the same side of the block.

Figure B
Front and Corner Front Yards



4. Article XVII, Section 1703(4), 1703(5) and 1703(7) of the Zoning Ordinance of the City of Petoskey is hereby repealed and replaced by the following

1703(4) A single-story detached building not exceeding 14 feet in height, accessory to a residential building shall be located no closer than three (3) feet from any side or rear lot line.

In those instances where the rear lot line is coterminous with an alley right-of-way, the accessory building shall not be closer than one foot to such rear lot line. In no instance shall an accessory building be located within a dedicated easement right-of-way.

1703(5) A detached accessory building in R-1 through R-3, RM-1, RM-2, O-S and P-1 Districts may have a maximum height of one and one-half stories and 16 feet, or the height of the principal structure, whichever is less.

A detached accessory structure greater than 14 feet in height shall have a setback of no less than (5) feet.

1703(7) Accessory buildings in residential districts may only be used for storage, hobby or home business use as regulated by Section 401(7).

5. The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.
6. This Ordinance shall take effect fifteen (15) days following its enactment and shall be published once within seven (7) days after its enactment as provided by Charter.

Said motion was approved by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Discuss Firework Regulations

The City Manager reviewed that at the July 6, 2015 City Council meeting, City Councilmembers inquired on firework regulations and requested further discussion at a future meeting. The City educated the general public on firework regulations by providing information on the City's website, utility bills and in the weekly newsletter.

Public Safety Director John Calabrese reviewed firework regulations; that the State approved Act 256 in 2011 which took effect in 2012; that in 2014 the City modified time limits for fireworks prohibiting from 1:00 A.M. to 8:00 A.M.; and complaints increased from 10 per year to 46 per year after State law went into effect.

City Councilmembers discussed supporting legislation repealing firework laws; expressed concern with fireworks at waterfront in crowds; and that sky lantern restrictions should be addressed in an ordinance as well.

Mayor Fraser asked for public comments and heard from a citizen concerned with sky lanterns causing potential fires and that one was found in a resident's pine tree as well as several in trees at the Winter Sports Park.

The City Manager reviewed that about a year ago, City Council considered supporting a Rental Rehab Program Grant Application for Rental Rehab at for 316 East Lake Street. However, due to the costly

316 and 318 East Lake Street nature of the improvements, the requirement of having 51% of the units rent restricted to low to moderate income levels was deemed to not be economically feasible.

Property owner, Bob Berg, and project manager, Tom Johnson, of Howard Property Partners, requested the City consider supporting a Part I CDBG application. This CDBG program focuses on blight elimination and initial discussions with MEDC officials shows strong support. The program does not restrict rents making the renovation project more economically tenable.

The apartment project involves renovating the second and third floors of 316 and 318 East Lake Street. Renovations will convert a former boarding house into 1 and 2 bedroom apartments with access through an elevator. The renovation project is consistent with the Downtown Strategic Plan to increase the number and quality of upper-floor residential units. This CDBG program directly addresses this need.

The initial total project costs estimate is \$871,290 with a CDBG application for \$226,501. If awarded grant funds, the property owner would be reimbursed after renovations are completed on a monthly basis. The City would need to verify that the improvements were completed and submit a request for grant reimbursements. The City of Petoskey would be the main applicant on the grant submittal with administration of the grant constituting the City's in-kind match. The City Planner recently successfully completed the training to be a certified CDBG Grant Administrator and will oversee the project.

There is no commitment on the City's part at this point as referenced in a letter from Howard Property Partners dated June 30, 2015. Passing the resolution simply shows MEDC staff that the City is supportive of the application. If MEDC deems the project worthy of submitting more detailed information, a Part II application will be submitted. If the State decides to fund the project a Grant Agreement will be developed.

As the project reimburses the property owner for renovation costs and calls for adequate collateral to be in place, there is no risk for the City. The City will also be executing a predevelopment agreement to have the developer pay for legal costs associated with this project.

City Councilmembers discussed the amount of time City staff spends on grant administration and how much involvement would take place.

Mayor Fraser asked for public comments and heard concerns with a sign and parking layout in back of the building being discussed.

City Councilmember Marshall then moved that, seconded by City Councilmember Murphy adoption of the following resolution:

WHEREAS, the City of Petoskey wishes to encourage the creation of residential units and overall revitalization of downtown buildings; and

WHEREAS, the City of Petoskey is committed to Fair Housing, and will work to ensure that all housing programs comply fully with all state, federal and local Fair Housing laws; and

WHEREAS, the City Manager or his designee will ensure that Fair Housing Information is available to the public, and will refer Fair Housing complaints or concerns to the Michigan Department of Civil Rights, HUD, and notify MEDC of any complaint or concern; and

WHEREAS, the City will not deny housing or a contract to an applicant or contractor based on his or her race, color, national origin, religion, age, sex, marital status, familial status, or handicap, and will not retaliate against persons raising concerns regarding discrimination; and

WHEREAS, the City of Petoskey City Council supports the use of Community Development Block Grant (CDBG) funding to assist in the creation of 6 new residential units at 316 East Lake Street through the Michigan Economic Development Authority (MEDC); and

NOW THEREFORE BE IT RESOLVED, that the City of Petoskey City Council authorizes the City Manager to begin the application process to the MEDC CDBG Program under the national objective of blight elimination for the amount of \$226,501 and to take all necessary steps to execute agreements necessary to receive and redistribute grant funds.

Said motion was approved by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills (4)
NAYS: None (0)
ABSTAIN: Fraser (1)

Hear Council Comments

Mayor Fraser asked for Council comments and City Councilmember Murphy reported that the annual Lockwood Park party is scheduled for August 10.

There being no further business to come before the City Council, this August 3, 2015, meeting of the City Council adjourned at 8:10 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer