City of Ann Arbor

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Meeting Minutes - Draft

Wednesday, January 22, 2020

7:00 PM

Larcom City Hall, 301 E Huron St, Second floor, City Council Chambers <u>City Planning Commission</u> Commission public meetings are held the first and third Tuesday of each month. Both of these meetings provide opportunities for the public to address the Commission. All persons are encouraged to participate in public meetings. Citizens requiring translation or sign language services or other reasonable accommodations may contact the City Clerk's office at 734.794.6140; via e-mail to: cityclerk@a2gov.org; or by written request addressed and mailed or delivered to: City Clerk's Office, 301 E. Huron St., Ann Arbor, MI 48104. Requests need to be received at least two (2) business days in advance of the meeting. Planning Commission meeting agendas and packets are available from the Legislative Information Center on the City Clerk's page of the City's website (http://a2gov.legistar.com/Calendar.aspx) or on the 1st floor of City Hall on the Friday before the meeting. Agendas and packets are also sent to subscribers of the City's website and clicking on the 'Subscribe to Updates' envelope on the home page.

1 CALL TO ORDER

Chairperson Alex Milshteyn called the meeting to order at 7:01 pm.

2 ROLL CALL

Planning Manager Brett Lennart called the roll.

Present	6 -	Mills, Milshteyn, Gibb-Randall, Sauve, Abrons, and
		Hammerschmidt

Absent 3 - Woods, Briggs, and Ackerman

<u>3</u> INTRODUCTIONS

4 APPROVAL OF AGENDA

Moved by Lisa Sauve, seconded by Sara Hammerschmidt, to approve the agenda as presented. On a voice vote, the Chair declared the motion carried unanimously.

5 MINUTES OF PREVIOUS MEETING

<u>20-0134</u> January 7, 2020 City Planning Commission Meeting Minutes

Moved by Shannan GibbRandall, seconded by Sarah Mills, to approve the January 7, 2020 meeting minutes as presented and forwarded to City Council. On a voice vote, the Chair declared the motion carried.

6 REPORTS FROM CITY ADMINISTRATION, CITY COUNCIL, PLANNING MANAGER, PLANNING COMMISSION OFFICERS AND COMMITTEES, WRITTEN COMMUNICATIONS AND PETITIONS

6-a City Council

No report.

6-b Planning Manager

No report.

6-c Planning Commission Officers and Committees

No report.

6-d Written Communications and Petitions

20-0135 Various Correspondence to the City Planning Commission

Adam Hughes, 212 East Washington Street, Ann Arbor, thanked the Commission for hearing him out. He spoke about a Short Term Rental item passed by City Council a couple of weeks ago, noting he disagrees with City Council moving forward with Option 3. Hughes said he is sensing a negative rhetoric from City Council when talking about short-term rentals and those who operate them, that the owners don't care about the community and their neighbors. He said, the company he works for, Prentice Partners, operates long-term and short-term rentals and they take this seriously and operate them with honesty and integrity, engaging the community and neighborhood, and to outright ban short-term rentals doesn't make sense, and isn't quite fair to those doing things right. He agreed that they should be regulated because it would weed out the bad apples.

Carol Skala, 1524 Marian Avenue, (2213 Twin Island Court) Ann Arbor said she'd met with Councilmember Elizabeth Nelson at her Sunday coffee hour this past week, and was shocked by Nelson's response. Skala said she had been in communication with Nelson in October of last year over a Carlisle Report; Nelson had told her, I don't think you have to worry, you non-owner-occupied hosts – it's not our intention to put you out of business. Skala asked Nelson what happened between October and now that would make her vote in favor of putting her out of business. Skala said she was informed they didn't think that the report was very good, and most Councilmembers think that these are not very good in our neighborhoods. Skala stated, so with bad data, you're going to push something through that will put people out of business because you have a feeling you don't like "those people". I am "those people", a host, who hosts primarily families in our home...I challenge anyone to say I'm a bad neighbor. I'm asking you to determine what you're doing here, instead of acting on the mandate from Council, which she believes was ill prepared, ill advised, small-minded and rushed to judgement.

Heidi (not signed in) 1204 Brooklyn Avenue, Ann Arbor, Prentice Partners, adding to previous speaker's comments, said Councilmember Elizabeth Nelson informed us, that the City chose Option 3, because it was the only option that they felt they could enforce. Heidi said she and her company were most concerned with Option 3, which she felt was the least Draconian. She offered to do a round-table to discuss the matter with anybody, stating, we abide by all the rules, and we are good neighbors, and the way we run our business could be incorporated into a set of bylaws that if followed would enable most short-term rental operators to manage their properties well and eliminate the issues. She said, I'm not here to dispute the poor experiences of anyone, or judge them, or downplay them; we are ready to work with the City Administration to develop reasonable approaches.

Cathy Strachan, 1310 Orkney, Ann Arbor, adding to previous speaker's comments, said she too was present at the coffee hour with Councilmember Nelson, who said "the report from Carlisle was pathetic." Strachan suggested that the Planning Commission start to look at Option 1, not Option 3, and draw a framework in terms of how to regulate short-term rentals. Strachan said it's not rocket science to know how many rentals exist; you require them to register within a certain timeframe thereby you understand what the data is, without changing the rules on people who've had their short-term rental business for three, four, or five years. She said some of these businesses already have certificates issued by the City that actually say 'Short-Term Rentals', so I hope you'll look at Option 1 as your starting point.

Noting no further public speakers, the Chair declared the public hearing closed.

Received and Filed

7 AUDIENCE PARTICIPATION (Persons may speak for three minutes about an item that is NOT listed as a public hearing on this agenda. Please state your name and address for the record.)

8 PUBLIC HEARINGS SCHEDULED FOR NEXT BUSINESS MEETING

20-0136 Public Hearings Scheduled for the February 4, 2020 Planning Commission Meeting

Planning Manager, Brett Lenart read the Public Hearing Notice as published.

9 UNFINISHED BUSINESS

20-0150 MSGCU Credit Union Site Plan, Partial Rezoning for City Council Approval and a Special Exception Use and Landscape Modification for City Planning Commission Approval - A proposal to build a new 3,800 square foot Michigan Schools and Government Credit Union (MSGCU) branch building with three drive-through lanes and 21 parking spaces on this 1.15-acre site located at 2151 West Stadium Boulevard. The west half of the site is proposed to be rezoned from C2B (Business Service) to C3 (Fringe Commercial) to match the east half of the site. A Special Exception Use is requested for the two drive-through teller lanes and one drive-through automated teller machine (ATM) lane. Staff Recommendation for Site Plan, Rezoning and Landscape Modification: Approval; Recommendation for Special Exception Use: Approval with Conditions

PRESENTATION BY PETITIONER:

John Vitale, AIA, and Michael Blanek, AIA, Stucky Vitale Architects, Inc, 27172 Woodward Ave, Royal Oak, representing the petitioner, provided background information on the project, as well as data on carbon footprint as it relates to drive-thru businesses. They also reviewed amendments to the site plan upon suggestions of the Commission.

Steve Brewer, Chief Financial Officer, MSGCU, 40400 Garfield Road, Clinton Township, provided community engagement opportunities involving their financial institution.

STAFF REPORT:

City Planner, Jill Thacher, noted the following in her staff report: This petition was postponed at the December 3, 2019 City Planning Commission meeting. The CPC expressed concerns with the plan, such as the safety of pedestrians both using the ATM and accessing the site

from the south, the appropriateness of drive-through lanes, interior circulation (including driveway safety and connectivity to neighboring sites), and the total amount of impervious surfaces proposed. The petitioner revised the plans, which were re-reviewed by all of the original city staff reviewers.

The petitioners made the following revisions to the site plan set:

• Adjusted the landscaping and tree species adjacent to the entry drive and adjacent to the drive-up lane approach. Tree branches are now shown trimmed to a certain height.

• A drive running north/south has been clarified as 24' wide and connects to both adjacent sites.

• A sidewalk was added along part of the south edge of the site near the building.

• The loading zone was removed to reduce the impervious surface area.

• A walk-up ATM is provided outdoors on the front of the building, next to the main entrance.

- Up-lighting has been removed from the exterior of the building.
- Front setback measurements have been clarified.

MOTION I

Moved by Sarah Mills, seconded by Shannan Gibb-Randall, that the Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Michigan Schools and Government Credit Union Rezoning Petition to C3 (Fringe Commercial District) based on the proposed zoning and recommended commercial land use designation.

MOTION II

Moved by Sarah Mills, seconded by Shannan Gibb-Randall, that the Ann Arbor City Planning Commission, after hearing all interested persons and reviewing all relevant information, finds the petition substantially meets the standards in Chapter 55 (Ann Arbor Unified Development Code), Section 5.29.5 (Special Exception Use), and therefore approves the Michigan Schools and Government Credit Union Special Exception Use for a maximum of three drive-through lanes as part of a financial services use. This approval is based on the following findings:

1. The proposed use will be consistent with the C3 Fringe Commercial District zoning district, which provides commercial activities accessed primarily by automobile. 2. The proposed use will not adversely impact traffic, pedestrians, bicyclists, circulation, or road intersections based on the location. West Stadium Boulevard provides access to the site, and the proposed use is consistent with other surrounding uses' traffic impact.

MOTION III

Moved by Sarah Mills, seconded by Shannan Gibb-Randall, that the Ann Arbor City Planning Commission hereby approves the proposed landscape modifications according to Chapter 55 Unified Development Code, Section 50.30.3.B.7, to require 0 square feet of bio-retention area due to the condition of contaminated on-site soils.

MOTION IV

Moved by Sarah Mills, seconded by Shannan Gibb-Randall, that the Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Michigan Schools and Government Credit Union Site Plan.

COMMISSION DISCUSSION:

The Commission took into consideration the presented petition and discussed the matter. [For a complete record of the discussion, please see available video format]

Commissioner Gibb-Randall asked about the on-site bio-retention system and requested the petitioner to work with City Staff to ensure the technical pieces come together in order to provide the plant's success.

Commissioner Mills expressed appreciation for the positive changes made to the site plan; she was in support of the revised project as presented.

Commissioner Abrons also expressed support for the amended site plan. She asked about the proposed parking and asphalt coverage, to which the petitioner explained they anticipate the extra spaces for when they conduct mortgage closings, and the like.

AMENDMENT TO MOTION II:

Moved by Alex Milshteyn, seconded by Sarah Mills, to add the following condition:

3. That Special Exception Use is conditioned upon the arrangement of this specific site plan, configuration, and corresponding impact to adjacent properties.

COMMISSION DISCUSSION ON AMENDMENT:

None

VOTE ON AMENDMENT TO MOTION II: On a voice vote, the Chair declared the amendment approved.

CONTINUED COMMISSION DISCUSSION:

Commissioner Sauve thanked the petitioner for a much better fit with their amended site plan, which was as a result of the Planning Commission pushing for a better, more thoughtful design, and the petitioner using their professionalism in listening and following through. Sauve said she was still not in favor of the drive-throughs but understands the need for them, noting there are three other financial services with drive-throughs on that same boulevard.

Commissioner Hammerschmidt agreed with fellow speakers on the improvements to the site plans. She said she appreciated the walk-up ATM and asked about the need for two other drive-through lanes, to which the petitioner explained it allows them to provide a full-service banking center, and for intermittent repairs when necessary, as well as shorter queuing, and less vehicle idling-time.

Commissioner Milshteyn thanked the petitioner for listening to the Commission and coming back with a redesign. With regards to the drive-through lanes, he cautioned the development community that while he supports this specific drive-through project and the Commission approves this one, it does not mean they will support or approve others in the future; it is the Commission's purview to grant these Special Exception Uses.

VOTE ON AMENDED MAIN MOTION:

On a voice vote, the Chair declared the amended motions carried. Vote: 6-0

- Yeas: 6 Sarah Mills, Alex Milshteyn, Shannan Gibb-Randall, Elizabeth Sauve, Ellie Abrons, and Sara Hammerschmidt
- **Nays:** 0
- Absent: 3 Wendy Woods, Erica Briggs, and Zachary Ackerman

<u>10</u> <u>REGULAR BUSINESS – Project Presentation, Staff Report, Public Hearing and</u> <u>Commission Discussion on Each Item</u>

10-a 20-0138 FY 2021-2026 Capital Improvements Plan (CIP) for City Planning Commission Approval - The FY2021-2026 Capital Improvements Plan (CIP) is comprised of updated financial data for FY2021 projects contained in the approved FY2020-2025 CIP, in addition to changes to project schedules. Upon adoption by the City Planning Commission, the Capital Improvements Plan (CIP) becomes a supporting document for the City's master plan. The Capital Improvements Plan (CIP) is also used as the source document for the City's capital budget planning. Staff Recommendation: Approval

STAFF REPORT:

Deborah Gosselin, City of Ann Arbor Systems Planning Department Engineer, provided a review of changes to the Capital Improvements Plan.

PUBLIC HEARING:

Seeing no public speakers, the Chair closed the public hearing.

Moved by Sarah Mills, seconded by Lisa Sauve:

Whereas, Section 1:185 of the Ann Arbor City Code requires that the City Planning Commission annually prepare a Capital Improvements Program for the ensuing six fiscal years;

Whereas, The FY2020-2025 Capital Improvements Plan (CIP) was approved by the Ann Arbor City Planning Commission on January 15, 2019 as a supporting document for the City's Master Plan; and

Whereas, The FY2020-2025 CIP was approved with minor adjustments by the Ann Arbor City Council on May 20, 2019 as the basis for the FY2020 Capital Budget;

Whereas, The second year of the FY2020-2025 CIP has been adjusted based on current conditions as related to the adjusted FY2021 Capital Budget to be considered by the City Council; and

Whereas, A duly-noticed public hearing was held by the City

Planning Commission on January 22, 2020;

Whereas, That the City Planning Commission recognizes that recommendations of the Carbon Neutrality Committee could result in capital projects that should be considered in the context of this CIP, the projects therein listed, and the prioritization of those projects.

Resolved, That the City Planning Commission hereby approves the FY2021-2026 Capital Improvements Plan as a supporting document for the City's Master Plan.

COMMISSION DISCUSSION:

The Commission took into consideration the presented petition and discussed the matter. [For a complete record of the discussion, please see available video format]

Lisa Sauve made a friendly amendment to revise today's date in the motion to read, January 22, 2020. Amendment accepted by Sarah Mills.

Friendly Amendment offered by Sarah Mills, accepted by the Commission that the following Whereas clause be added:

Whereas, The City Planning Commission recognizes that recommendations of the Carbon Neutrality Committee could result in capital projects that should be considered in the context of this CIP, the projects therein listed, and the prioritization of those projects.

On a voice vote, the Chair declared the amended motion carried. Vote: 6-0

Yeas: 6 - Sarah Mills, Alex Milshteyn, Shannan Gibb-Randall, Elizabeth Sauve, Ellie Abrons, and Sara Hammerschmidt
Nays: 0
Absent: 3 - Wendy Woods, Erica Briggs, and Zachary Ackerman

11 AUDIENCE PARTICIPATION (Persons may speak for three minutes on any item.)

Noah (not signed in) 1765 Northbrook Drive, Ann Arbor, spoke in support

of colleagues as a short term rental host. He said, I went to University of Michigan and graduated a few years ago, and has invested his savings in a few units here in town. We do a great job to be good neighbors, and I take it upon myself to bring people to this great town to show them the things I've grown to love since going to school here. We did this 'above-board', we looked at all the books, found out what was required and got certificate of occupancies, following the law to the letter. He said when the discussion came up about regulating short-term rentals, it didn't come as a surprise to us, we're okay with that. They should be permitted, the City should be aware of their existence and that's where we could be helpful in that process; we'd be happy to help because we believe there is a common sense solution to this. We heard from Elizabeth Nelson that there are some nuisance concerns, but she didn't want to penalize good operators, hoping that we could come to some understanding. Unfortunately that is not what happened by them choosing Option 3. There have been a lot of advocates for regulation – there have not been any advocates that he is aware of, for this measure to ban. So, it's ultimately going to come down to you guys to figure out what's going to work for this City. He suggested the Commission analyze what's going on, and ask that that information be brought forth in a pragmatic sense. He said they are on board for something like that, but this is not what's on the table right now, and it's a very big concern for us as neighbors, Ann Arbor residents, and as small business owners who share that interest with many other businesses, like coffee shops, restaurants, or vendors. This is a big benefit to the City, us as individuals, Michigan graduates, and we implore you to consider the impacts, which could be positive or not.

Carol Skala, 1524 Marian Avenue, Ann Arbor, referred to comments brought forth at the Council meeting that residents have the right to expect that they are moving into a neighborhood and not into a hotel zone. Skala said I don't consider my house a hotel, we don't have that kind of traffic. When we bought our house, my expectation was that we had the right to improve and rent the property, after jumping through all the hoops, and meeting all the requirements before finally acquiring our Certificate of Occupancy. Skala said there are expectations and rights on both sides of this issue and I hope you will see there is a solution here to be a win/win. The other issue that came up at Council is the issue of zoning violations. There are all kinds of home occupations that generate far more traffic than my once a month, or twice a month guest, that come to my short term rental. She said I think we have to be careful talking about zoning for rentals; we're in a college town, we have student rentals, we have sublets in the summer that are three months, which are far more disruptive than somebody's AirB&B house in a neighborhood. We know

this, the Police Department knows this. We need to have a comprehensive plan put forth, that deals with all types of rentals, not just short-term rentals, and how we are going to regulate them. That requires better ordinances in place to deal with problems, then that's what's going to need to happen.

Heidi Posher, (not signed in) 1204 Brooklyn Avenue, Ann Arbor, Prentice Partners, stated, 'Commissioner Mills, I appreciate what you're saying, and there are many issues to address as a community. Obviously there is a housing problem in this town that deserves a comprehensive plan. She said, I'm a consultant that works in the strategy world and what makes sense to me is to articulate the housing issues first, then articulate the zoning plan that supports the housing issue, and then you can figure out transition if you have to make tough decisions. I understand that there have been complaints and that's what has prompted all of this, but to make a decision that affects any particular group of people, paying substantial property taxes, is unfair. It is unfair to punish people who have made investments here'. She said, 'it's really unfair to the people suffering from the housing crisis in this town. This takes the attention away from where it really needs to be and doing things out of order, and this whole thing should be tabled until the first two things are worked through'. She explained that she will be attending as many meetings as possible on this issue, because Prentice now has expertise in the field, and can assist with how zoning regulations can be changed to address the biggest problem – 'affordable housing' in this town.

Gibb-Randall asked about occupancy levels in Heidi's short-term rental.

Heidi said her company has probably purchased 20 houses in town, and most of those were not habitable at the time. Her company renovates the houses, which increases the property taxes on them. She said that money goes into the City's General Fund and she hopes that there was some fund where part of those tax monies could go into an 'affordable housing fund'. She said her experience is that people who can't afford to live in nice houses, usually end up living in these less desirable housing stock. She said occupancy is very much dependent on where the house is located, what time of year it is, and it's very cyclical (December through February are very low times). She said they have one property on White Street, (facing Stadium) that is busy all the time. She said the way they have it set up is with six suites in the house with a shared common space; occupants are graduate students coming into town for interviews, or anything other than a football game. Heidi said on the bigger properties they do a lot of business with families coming to the hospital, as well as those coming into town for a football game. She said their overall occupancy rate is around 60-70 percent of the time. She said there is a difference between short-term rentals (STRs) and 'affordable' housing, and the only thing they really have in common is that they are both considered housing.

12 COMMISSION PROPOSED BUSINESS

Brett Lenart explained that City Council directed Staff to put together some information about the regulation of short-term rentals, without specificity of the goals. Staff worked with a consultant, Carlisle Wortman Associates, to hold a series of workshops throughout the City where there was an open opportunity to see what was on people's minds regarding short-term rentals in the community, what their experience was, as well as some preliminary discussions at those meetings if they thought the City should regulate them, regulate them significantly, should we ban them, should we not touch them? The information from those sessions was gathered and in summary, be believes, the feedback, in general, was that these are good for the community, and if you regulate them, do so insignificantly. He said there were other voices as well, but the majority were for the former. Lenart said, we also looked at sample ordinance language from other communities which we believed were representative of the different ways communities are grappling with this issue. Three options were included with that report: Staff's recommendation was Option 3, which was the most aggressive, regulatory framework, which would probably limit non-owner occupied short-term rentals to non-residential zones, it would require registration, an annual permit of sorts, in addition to our rental inspection requirements for rentals in the City.

Lenart said, the options were presented and City Council had a lot of differing opinions in directing staff to crafting an ordinance in response to Option 3, and that's where we are currently at, and we don't know how those ordinances will look or where they will be housed, to the extent that they end up in the Unified Development Code (UDC) from a zoning perspective, the Planning Commission would be involved in the process. While he believes a lot of the registration and licensing will not be zoning related and therefore not require the Planning Commission's involvement. He said one of the things that had formulated Staff's perspective is a notion of tenancy in residential areas is different, for short-term rentals versus long-term rentals or owner-occupied. Lenart said the example was brought up that there are home occupations that the City allows in residential neighborhoods, those are premised on the primary use of that unit being somebody's home. Lenart said from his perspective, changing the tenancy of those units in a residential neighborhood, has the potential to feel more like a commercial enterprise, and potentially differs from traditional residential uses those in the residential districts, where a longer term connection to a neighborhood results in a land-use distinction. He said we will see how that manifests itself in any proposed ordinance. Lenart acknowledged enforcement becomes difficult when limitations are set on a number of days; thus far the City has looked at these as owner-occupied home or rental homes.

Lenart said in the coming months staff will be progressing on drafting different ordinances with the determinations as to what should be licensed, what should be zoning, if any. He noted that collected data shows about 1,400 short-term rentals that were rented for at least 1 night in the previous year, and of those that reported financial data, the average per night cost, was about \$96.00.

Commissioner Abrons asked why staff chose the most regulated option, if the general sentiment in the City was for least significant regulation.

Lenart said, The nature of the use. He explained that attributing home occupations or tenancy of a residential property is appropriate in neighborhood zones, if you look at the intention of our neighborhood districts, you will see it is suitable for living there. Once that occupation of that property starts transitioning to a more shorter-term, more frequent, more numerous people, basis, he believes it has a greater potential to have less stewardship-connection with a neighborhood which it has values, typically, with the intent of our zoning districts. Lenart further explained that once a tenancy becomes more cyclical it has a greater tendency to become problematic, and he believes it is more of a commercial type enterprise than a residential type use.

Abrons said if the issue of short-term rentals comes before the Commission, she would really like to see the evidence presented and the data that these short-term rentals really are a problem and this issue doesn't just stem from some very vocal sources.

Commissioner Mills asked about process as it relates to the discussion, to which Lenart clarified the question.

13 ADJOURNMENT

Moved by Sarah Mills, seconded by Shannan Gibb-Randall, to adjourn the meeting at 9:06 pm. Without objection the meeting was adjourned.

Alex Milshteyn, Chairperson /mg

(If an agenda item is postponed, it will most likely be rescheduled to a future date. If you would like to be notified when a postponed agenda item will appear on a future agenda, please provide your email address on the form provided on the front table at the meeting. You may also call Planning and Development Services at 734-794-6265 during office hours to obtain additional information about the review schedule or visit the Planning page on the City's website (www.a2gov.org).)

(Public Hearings: Individuals may speak for three minutes. The first person who is the official representative of an organized group or who is representing the petitioner may speak for five minutes; additional representatives may speak for three minutes. Please state your name and address for the record.)

(Comments about a proposed project are most constructive when they relate to: (1) City Code requirements and land use regulations, (2) consistency with the City Master Plan, or (3) additional information about the area around the petitioner's property and the extent to which a proposed project may positively or negatively affect the area.)

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