

REGULAR CITY OF CHEBOYGAN PLANNING COMMISSION
July 22, 2019

Present: Granger, Maynard, Kopernik, Kronberg, and Khan-King
Absent: Rogers and Horntvedt
Admin: Eustice

Public Hearing – Consideration of Approval of the City of Cheboygan Master Plan:
Motion by Kopernik seconded by Khan-King to go into the Public Hearing for Consideration of Approval of the City of Cheboygan Master Plan. Approved unanimously.

Chairperson Granger asked the members of the public in attendance if they would like to speak. The response was no.

Chairperson Granger then asked the members of the Commission if they had any comments on the Master Plan. City Manager Eustice commented from the time the City Council approved the Plan there is a 63 day wait period, which is what we just went through. Tonight this will be final approval.

Motion by Kopernik seconded by Kronberg to close the Public Hearing and approve the adoption of the Cheboygan Master Plan.

Commissioner Kronberg commented it is a fine piece of work and a long-time coming and something to be proud of. City Manager Eustice said at least it is in place, they are usually a 20-year plan and should be reviewed at least every five years, but can be amended every year. One of the things that possibly will come up is the Future Land Use Plan; there are some things we are looking at as far as making changes. Commissioner Kopernik says he sees this as a template to move forward and thinks it's okay to adjust it from time to time.

Roll Call Vote: Yes: Granger, Maynard, Kopernik, Kronberg and King
Motion carries.

Approval of May 20, 2019 Regular Planning Commission Minutes:
Motion by Kopernik to approve minutes of May 20, 2019 Regular Meeting as published. Seconded by Maynard. Approved unanimously.

Review and Approval of July 1, 2018 – June 30, 2019 Planning Commission Annual Report to the City Council:

City Manager Eustice commented the Commission's Bylaws require that the Planning Commission presents an annual report to the City Council. Typically the biggest things this Commission deals with are any rezoning issues, street and alley vacations, and site plan reviews. The Commission has in front of them the things that occurred in the last fiscal year, ending June 30, 2019. He went on to review that the Commission had a significant task in regard to the AutoZone property, which first had to be rezoned so it could be built on the property and that required a public hearing. The site plan review process then followed. AutoZone was very satisfied in how the City performed in getting them through both of those processes. This was

the only site plan review the Commission had for the last fiscal year. City Manager Eustice noted that all new commercial and industrial properties must go through site plan review. There was some residential development.

Meijer Development - Chairperson Granger asked in light in of change to the new 425 Agreement, is there anything with regards to that property that needs to be looked at, i.e. zoning, in terms of property use or is it already under the zoning the Township has. City Manager Eustice replied we are likely going to have to do some rezoning. It is zoned currently under the County's Plan similar to our B-4 (General Commercial) District. We are going to have to zone it B-4 (General Commercial), which makes it eligible for a box store establishment. The 425 is in place; until we get a letter from the Boundary and Annexation division of the State we officially cannot do anything with the property. This typically takes 30 days and we sent the Agreement in on June 14, 2019. Chairperson Granger stressed the importance of having the zoning in place when it comes time for site plan review. Commissioner Kopernik asked if there is anyone helping us, a liaison with the State, to expedite the annexation paperwork. Is there someone at the State we are following up with? City Manager Eustice replied not within the Boundary and Annexation Division, but we file with the Secretary of State and they transfer it to the Boundary and Annexation Division. There has been no contact with the State. Chairperson Granger said we should at least give the State the 30 to 45 day review period before we start making inquiries. Commissioner Kopernik suggested this be monitored. City Manager Eustice said he is more concerned with trying to get a build date from Meijer's, noting there was a Meijer Committee meeting (contains 3 members of Council) last week regarding the development agreement. He sent this agreement again to Mr. Jones at Meijer telling him we are prepared at this point to run water to the site as long as Meijer is okay with the agreement. Meijer can certainly make changes to the agreement because it is an agreement between Meijer and the City, but there has been no response thus far.

Motion by Kopernik to approve the Annual Report to the City Council. Seconded by Khan-King. Approved unanimously.

Election of Officers:

Motion by Kopernik that the current officers be reappointed. Seconded by Khan-King. Approved unanimously.

Discussion of Marihuana – Medical, Recreational and Facilities:

Chairperson Granger informed the Commission he went to a training program in Traverse City. He got some information from the program that kind of indicated to him that we have not approached it in the proper sequence. He referred to the City of Manistee documents, which were just recently approved, noting they combined the recreational and medical. So for the moment he is putting the City of Buchanan documents on the back burner and saying the Manistee documents may be the set of documents we want to look at. Chairperson Granger went on to state that one of the things they stressed at the seminar was have you held your public meeting yet to find out if the community wants marihuana facilities in your municipal limits; the answer is no we haven't. He went on to state he thinks one of the very first steps we need to do is to establish a public meeting and whether we are going to do it on a regular meeting night or a separate meeting, and we may want to think about moving it to the Opera House depending on

what we anticipate for a turnout. Chairperson Granger reiterated the first step is to find out what the sentiment of the community is about having marihuana facilities. He noted the surrounding townships are all opting out, which the City can do if it is the feeling of the citizens. Before we start on anything, we should find out the answer to the question before we spend a lot of time. If, after we have the meeting, he suggests it might be easier to approach it.

Chairperson Granger went on to state the handout on Recreational Marihuana Proposition was presented as a slideshow. He is thinking we might want to look at this like we did on the Master Plan and set up a sub-committee to really go through this and see how it needs to be changed to be applicable to Cheboygan and bring forth those ideas to the full Commission. It could also be done with the whole Commission, but does not think it is something that can be easily done at monthly meetings. Commissioner Kopernik mentioned the County voted in favor of it and people in the City definitely voted in favor of recreational use. Chairperson Granger went on to state he did take notes because there is a lot of little subtle differences between the Medical Marihuana Act, the Regular and Taxation Marihuana Act and the Michigan Marihuana Facilities Act. Commissioner Kopernik stated he is in agreement for not adopting Buchanan's and has a sentiment of leaning toward doing something. He understands the townships around here are shutting it down. He then commented on the City of Manistee's information. He does not think we just planned on voting it in without doing some sort of public input, asking City Manager Eustice how this works, is there a notice in the paper. Chairperson Granger responded he is not thinking of the public being initially involved in the development of the ordinance, understanding they had a State-wide vote. That is not what Manistee or MSU in their presentation is saying; they recommend to get the input of the community on do they want facilities. He does not know how many people realize a community can opt out; a lot of people think because the laws are passed that is it and it's a done deal and everybody has to do it and you don't. Maybe we should do the public forum to talk about establishing ordinances to allow for medical and recreational marihuana facilities. Chairperson Granger commented he likes the Manistee approach because it is set up to cover the ordinances for all three: medical, recreational and facilities, which are all different Acts that have to be incorporated. Commissioner Kopernik noted the Municipal League actually mentions: "In the meantime municipal attorneys would be well advised to read through the initiated statute more than once and be prepared to advise their clients of the significant ramifications of legalized marihuana on local governmental and social services." Commissioner Kopernik then stated he is wondering if we have to seek out legal counsel that is better versed in a different community or is City Attorney Stephen Lindsay reviewing this. City Manager Eustice replied he has. Commissioner Kopernik then asked how we enact it in a responsible manner if we decide to enact certain aspects of it. Commissioner Kronberg asked what Commissioner Kopernik means by the public spoke. Commissioner Kopernik replied they voted in favor of the State-wide law and the City electors voted more overwhelmingly than the local townships. Overall the County voted in favor but it was very close votes everywhere. Chairperson Granger noted that none of the presentations at the seminar spoke of the State-wide vote as an indicator of whether or not a local community or area was really in favor of it and that is why they all said the very first thing you do is start out with a public forum to get input from the community and make sure a majority of the community is in favor of doing it. Commissioner Kronberg asked how you supposedly quantify that. Mayor Bronson asked if there is a requirement or only a recommendation; is there part of the law that says you have to have a public hearing. Chairperson Granger replied no, he does not believe

there is. Mayor Bronson then said his feeling is that the MML is opposed to this legislation and they are looking at ways to slow down everything and he finds it very frustrating that they are now going out and passing their agenda on through these seminars. Commissioner Khan-King stated her concern with them, although she believes we need to move cautiously and be well-informed, is that if we have a forum and invite the community; she for one personally does not know because she wants to know what we are going to do. Are we going to do it in a responsible way, that we can monitor things, and that we don't have a facility right down town and things like that, it might make me more in favor. She noted she is speaking as a citizen and not as a member of this body. Commissioner Khan-King then stated she is afraid if we have a forum and do not have some of those kind of questions, it is hard for people to make a decision because those answers might impact what their decision would be. Chairperson Granger noted we don't have those answers at this point. Commissioner Khan-King said she thinks having a forum or getting information out to the public about what we think might be a suitable approach to this is a good idea. We need answers for the forum because it will impact whether people are for it or against it. Commissioner Kronberg stated we might enter that forum with an idea so we can provide leadership.

Mayor Bronson questioned how the City of Manistee, if they haven't completed their rule making yet, can have recreational marijuana rules set up already. Chairperson Granger said he does not know but a lot of communities have and is not sure how they are handling it. He went on to state by local ordinance we cannot overrule or change State laws as to how much of those rules can we use to build into our ordinances, he has not dug into this yet in detail. He does not know if the documents have to go to the State for approval before adoption. Commissioner Kopernik said he read the State is allowing municipalities to make certain decisions. Chairperson Granger said the medical and facilities acts were passed two to three years ago and are pretty well-established and does not think there is a lot of uncertainty with these. It is the recreational. Mayor Bronson said this is why he wants to move quickly on the marijuana part of this because we know what can be done and what the rules are. He does not want to wait until after the new year and do something so that we can include the recreational marijuana, because those rules will not be published until December. City Manager Eustice explained we first need to have a medical marijuana ordinance before you can have recreational ordinance. We know what the laws are for the Facilities Act and the Medical Marijuana, so we can move forward on these two ordinances and then once we find out what the State is going to as far as recreational marijuana law, we can look at it at that time. Mayor Bronson commented there are licensed people that can do those, but does not think anybody has been approved for recreational marijuana yet. Commissioner Maynard wondered what is recreational about smoking pot.

City Manager Eustice said he thinks how we move forward with this is a City Council decision; the City Council should make a decision to move forward with medical and facilities marijuana, if they do choose or not, and then direct the Planning Commission to assemble those ordinances and get back to the City Council. The legislative body should have the say in this ordinance and public policy. Commissioner Kopernik volunteered to be a liaison, suggesting the City Manager also. City Manager Eustice said he does not think Council needs to form a committee, they just need to make a decision if we are going to pursue this or not. Chairperson Granger commented the Commission does not have the authority to order that ordinances be developed, the Council does. The Council can direct the Planning Commission to develop ordinances for medical

marihuana and facilities marihuana. Commissioner Kopernik asked if the Planning Commission is getting all the information in order to bring Council's attention to it. Commissioner Khan-King said she thinks Chairperson Granger is saying that we put the cart before the horse – we were already looking at what our ordinances would look like even though we don't know if the Council even wants to move forward on the marihuana. Chairperson Granger said he and City Manager Eustice felt it should go to the Council to ask if they even want to have medical marihuana facilities (dispensaries) and medical marihuana use in Cheboygan. If Council says yes, then they can direct the Planning Commission to develop and prepare the ordinances. Mayor Bronson said it may be that Council decides to opt out or limit and then the Commission would not be spending time developing policies and procedures. Commissioner Khan-King commented she is sure the Council must have spoken on this issue. Mayor Bronson replied not in a formal session of a Council meeting, adding he does not have a feeling on where it would go and the Council has changed recently, too. Chairperson Granger stated the Commission will wait on this matter to see if it receives direction from the City Council. Commissioner Kopernik commented the City Council will decide to opt in or opt out of the Michigan Medical Marihuana Act and the Facilities Act and then we wait on the taxation and regulation. City Manager Eustice replied if the Council opts out of the Medical Marihuana Act and the Facilities Act, they are opting out of everything. Because we opt out does not mean at some point we can't adopt ordinances. Many municipalities are opting out because they do not know what is happening and neither does the State. Chairperson Granger said he did not realize if you opted out you could get back in. City Manager Eustice said he feels the Medical Marihuana Act and Marihuana Facilities Act are pretty clear, that we can move forward with those if so choose. It is just the recreational side that is somewhat up in the air. Commissioner Kopernik said on the recreational side, he read where police are having meetings so they know what they can and cannot do. Chairperson Granger commented those would not be local ordinances, anyway. City Manager Eustice commented the first time to place this on a Council agenda will be August 13. Mayor Bronson asked that the information the Planning Commission has should be made available for people to look at.

Commission Member Comments:

Short-Term Rentals - Commissioner Kopernik commented on short term rentals and believes it needs to be looked into, i.e. if someone wants to rent their place for less than 28 days. Chairperson Granger said this was already looked at before. City Manager Eustice said we have a Vacation Home Rental Ordinance that applies to residential single and multi-family properties throughout the City. Under the Ordinance you cannot rent for less than 30 days in those districts. Commissioner Khan-King commented Commissioner Kopernik is saying he wants to revisit it. Commissioner Kronberg asked if he thinks the Ordinance is too restrictive. Commissioner Kopernik stated he thinks they should be allowed in the City. If someone wants to rent their place out for a week he thinks it should be allowed, the reason is there has been a lot of pushback recently because of the popularity of the Airbnb. The County Zoning Administrator starting sending out letters of violation of all these ordinances because people were renting out their cabins on the water for a week. The County Planning Commission approved the change in the ordinance where any rental under 28 days is allowed. All over townships are banning the rentals and the Michigan Realtors are getting involved because it has to do with private property rights. Some people are deeming it commercial, although some people have been renting out their properties on a less than a 28 day basis. Commissioner Kopernik went on to state the Michigan

Realtors has legislation they are trying to pass that is bogged down in committee with all these capped on amendments that make it brutally hard for somebody to do this. City Manager Eustice noted rental properties are at 42% in the City of Cheboygan. Commissioner Kronberg said his recollection of the situation was because we have this river flowing right through our town there is a mix of vacation like properties but they are in the most restricted zone, R-1(single family). Prior to our Ordinance, the neighboring property owners were bothered by. The idea was that we should expect in the most restricted zones to have property protected from that kind of energy, activity, boat trailers, parties, etc. Commissioner Kopernik commented there` 3 currently are laws and ordinances for noise, too many vehicles, etc. Plus, there could be a renter that lives next door whose place is a mess and there is junk all around, or the police have to be involved because they are having parties and everything, so he does not buy it. Chairperson Granger suggested Commissioner Kopernik to talk to the Chief because when we were having the problem it triggered the development of that ordinance, briefly explaining the issues of having three, four or five families crammed into one house, in addition to 10 to 15 cars, and boat trailers all over, and a lot of other things going on that were unsanitary.

Mayor Bronson said he thinks the discussion is since we have an Ordinance and Commissioner Kopernik is asking us to look at it and change it, is the Planning Commission the venue for that request. Commissioner Kronberg replied he does not think so, adding the City Council needs to decide if something needs to be changed. City Manager Eustice said if Commissioner Kopernik or the Michigan Realtors feel that strongly about it, they should address a letter to the legislative body or him asking the legislative body to address it. He went on to state currently this is a huge problem in Traverse City in that there are historic neighborhoods and homes they are renting out weekends at a time and week-to-week and there are people that own homes and live there next to these; when people are on vacation and up until 3:00 in the morning, having bonfires, etc. the homeowner next door has to go to work at 7:00 in the morning. Commissioner Khan-King commented on long-term renters and there being no guarantee about their quality. Landlords have told her they got out of the landlord business just as quickly as they got in because it is so difficult to find a long-range renter that is responsible and could take care of the property. She went on to state with a Vrbo or Airbnb there is a constant monitoring, as you get rated on your ability to be a good renter and if you rated low then other people will deny your request to rent, so there is a constant monitoring of behavior as a renter. With the internet and different services, that whole system has changed. Commissioner Kopernik interjected the same with the rules that are put into ordinances. Ordinances can state how many families and cars can be there to control the problem. Commissioner Khan-King says although this might have to come from the City Council, it kind of aligns with the Master Plan in making a community that people want to come to, they want to visit, is walkable and usable, promotes commercial things and tourism, environmental, etc. She feels, as she looks at the Master Plan, we need to loosen up on some of this to align with some of the goals in the Master Plan. Mayor Bronson commented there are certain residential areas that people can rent and there is a process for people to request a zoning variance.

Staff Report:

Boards & Commission Minutes - City Manager Eustice noted the Commission has minutes from multiple Boards and Commissions. He does not have anything to add to the following minutes: Historic Resources Commission Meeting, May 6, 2019; Parks & Recreation Commission

Meetings, April 17, 2019 & June 19, 2019; Zoning Board of Appeals Meeting, June 5, 2019; Brownfield Redevelopment Authority Meeting, June 25, 2019; and Main Street Downtown Development Authority Meetings, April 30, 2019 & July 2, 2019.

St. Charles Church Renovation - City Manager Eustice then reported the St. Charles Church has been purchased by Mr. Bill Price and he is doing renovation on it now. The City is working with the MEDC to see if he can get brownfield grants to renovate. His purpose is to get it back as best he can to its original state, which will be very costly. Right now he is trying to seal up the building, which has been leaking pretty severely for about 4 or 5 years. It is a historic building and he is trying to save it. City Manager Eustice went on to state Mr. Price says that type of church was based on Old English architecture and churches built in the 1600s and 1700s were designed like this church, noting this church was built in 1905. Several Commissioners asked what Mr. Price wants to use the church for. City Manager Eustice said the end use will likely could be a church, with him leasing to a church, or it could be a possible wedding venue and reception. Chairperson Granger asked if the existing uses will be allowed to stay. City Manager Eustice replied certainly for the recent future. The current plan to get it back to its original state is 3 to 5 years out. He gave a brief background on Mr. Price stating he has a lot of connections to historic churches in the Detroit area that have closed and is trying to get materials that will fit this church.

Hope Network Project - Mayor Bronson inquired if the Planning Commission has seen anything on the Hope Network apartment complex project. City Manager Eustice said initially their plan was to buy the former Century Products building, but could not obtain it, as Phase 1. The 2nd and 3rd Phases were new apartment complexes on vacant land. They are going to start with Phase 3 first and are in the process of purchasing property, including the Co-Op building that they will demolish. Hope Network is going to use MSHDA monies, being they are a 501(C)3 non-profit corporation; they will be non-taxable and will go through a pilot program – payment in lieu of taxes. The City will get monies for this project and typically it is about 50% of what we would get if a private developer did the development. Hope Network has a pretty good track record and the buildings they put up are high quality, nice facilities and about 25% of the facility will be available for low income housing. City Manager Eustice went on to state currently they own the Co-Op and the vacant lot between Cuyler and Huron Streets, across from the Co-Op, which Great Lakes Tissue owned. Mayor Bronson commented there is space for 40 units on that lot. One of the issues is that it is zoned R-1, One-Family Residential. City Manager Eustice said it will go through a Planned Unit Development (PUD). Commissioner Kronberg asked if it has been approved by the City Council. City Manager Eustice said no, it is still in the early stages but it has to move along fairly quickly. In order for Hope Network to get the money they have to apply by October 1, so we will have to do a Planned Unit Development and Site Plan Review. Chairperson Granger told the City Manager to get something to them. Commissioner Kronberg said from the standpoint of the Planning Commission what we do is provide leadership and how we want our town to develop. He asked how having a four-unit apartment building fit into that Plan; why is it desirable for our town? City Manager Eustice replied because we have a lack of quality housing for not only the low income people but middle income people. Hope Network has done a pro-forma on it and they know they can fill them. They are going to build 180 units total over a 7 to 10 year timeframe. Commissioner Kopernik asked if it is not mixed with retail. City Manager Eustice answered there is no plan for retail, at this point. He went on to explain the apartment complex will be three levels and they are going to build some single family townhouses, as well.

They still would love to have the Century Products building but cannot obtain it for what the owner wants. Commissioner Kronberg commented when the Commission looked at the industrial zone from the days of Procter & Gamble, the Commission rezoned it R-1, one-family residential, to reflect zoning the way it is on Cuyler Street, i.e. big historic homes, and providing for a more consistent development through there and protecting property values of houses that are there. The idea was to put a restrictive zone in to keep the area nice. Commissioner Kronberg stated he would suggest in considering this we think about the decision making that goes into planning our development in town as a part of deliberation. Commissioner Kopernik commented he always saw it as a large parking lot and not a lot of people were building and why restrict it. Perhaps somebody could put offices there or maybe another storefront there; utilize the space. There is just not a lot of people pulling building permits in town, so he thought a business/commercial zoning might even be better to allow some flexibility on the parking lot. Commissioner Kronberg commented we retained the zoning where the Co-op is because there was some energy to make it all R-1 (one-family). The idea was that would be the entrance to something that happens at the Century Products building, which is still zoned L-1 (light industrial).

Public Comments:

Local Auto Parts Stores - Ms. Susan Cheli said she was at the County Commissioners' meeting recently and they were discussing the possibility of another auto parts store wanting to come into town by the State Farm and Sherwood businesses. She asked if we don't have some rules where we can only have so many auto supply stores; we already have three. Ms. Cheli went on to state she does not know what authority or influence this Commission has on not allowing something to come in. Chairperson Granger responded the Commission does not have any; if it is zoned for commercial we cannot dictate what kind of commercial goes in. Ms. Cheli commented so anything can come in. Chairperson Granger said yes, if it meets the zoning requirements; currently we have three, with one under construction, and if there is another that would be number five. Ms. Cheli said she is thinking about the impact on our community; it's like having two Walmart stores, and doesn't make sense. She went on to state she was looking at the overall future picture of Cheboygan and how is that going to fit into Main Street trying to develop a who is Cheboygan, what makes us special, and what would make people want to come live here and visit here. She does not feel four auto supply stores do not fit into the picture. Commissioner Kopernik said he completely understands; what happens there are certain things that are allowed within our zoning regulations. City Manager Eustice commented the reason that auto parts company went to the County is that they want to have access through the northern most entry to the County Building and they want ingress and egress rights through the roadway, which is not a public right-of-way.

Medical & Recreational Marihuana – Ms. Susan Cheli inquired if anyone has researched what the impact is on the crime rates of the communities in Denver, Colorado that have legalized medical and recreational marihuana. She went on to state our community has enough problems with alcohol and drugs, noting she voted no. Chairperson Granger commented if the City votes not to have it, it's going to be here anyway. If we don't have facilities, it will not stop people from legally being able to have marihuana and smoke marihuana. Ms. Cheli commented Main Street is trying to create a safe drug-free community. How does the City allowing it not defeat what Main Street is trying to do. Chairperson Granger said we are not going to have marihuana shops on Main Street; we can regulate where they can be and where they can operate. Mayor Bronson asked Ms. Cheli if they are talking about closing all the bars on Main Street to make it drug free. Ms. Cheli said she does not know. Mayor Bronson commented if we are going to be drug free,

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let's talk about all the drugs.

Adjourned:

The meeting was adjourned by a Call of the Chair at 8:10 p.m.

James Granger, Chairperson
Planning Commission