

**PENINSULA TOWNSHIP
PLANNING COMMISSION**
13235 Center Road Traverse City, MI 49686 (Township Hall)
March 19, 2018, 7:00 p.m.
MINUTES

1. Call to Order: By Alan Couture at 7 p.m.

2. Pledge

3. Roll Call: Present: Susan Shipman, Marilyn Elliott, Donna Hornberger, Alan Couture, Monnie Peters, Laura Serocki, Isaiah Wunsch

Also Present: Christina Deeren, Director of Zoning

4. Approve Agenda: Action-Motion: Motion by Serocki/Wunsch to approve the agenda.

Passed Unanimously

5. Brief Citizen Comments: None

6. Conflict of Interest: None

7. Consent Agenda:

1. Reports and Announcements – none.
2. Correspondence (as provided) – Peninsula Community Library Guidelines for Public Meeting Room.
3. Approval of Meeting Minutes
 - i. Joint Township Board/Planning Commission Working Committee 2-27-18
 - ii. Zoning Ordinance Rewrite Committee 2-28-18, 3-7-18
 - iii. Planning Commission regular meeting 2-26-18

Hornberger: We need to remove "Peninsula Community Library Guidelines for Public Meeting Room" because it was presented last month. Add the communication from Dave Murphy and Sue Peters.

Serocki: Add 3-14-18 minutes under C.i Joint Township Board/Planning Commission Working Committee.

Peters: I have two very small changes to the Regular Meeting Minutes. On the front page, it should say *minutes* instead of *agenda*. On page 6, midway down the page it talks about our Contractor. It should be *McKenna* not *McKinnon*

Shipman: On page 2 under Reports and Updates a. Township Board: we left out the word resources. It should read DNR Natural Resources Trust Fund.

Action-Motion: Motion made by Wunsch/Shipman to approve the Consent Agenda with amendments.

Passed Unanimously

8. Reports and Updates:

a. Township Board -

Wunsch: We have continued our weekly study meetings. Approved the documents for Vineyard Ridge and we approved the Park Fund.

b. Zoning Board of Appeals - Serocki: ZBA did not meet last month and will not meet this month.

9. Business:

Couture: We will now close the Regular Meeting of the Planning Commission and open the meeting to Public Comments on Amendment 194 Escrow Public Hearing. If you do have a comment I would ask that you approach the lectern and state your name and address.

a. Amendment 194 Escrow Public Hearing –

Couture: Seeing no comments at this time we will close the Public Hearing and resume the Regular Planning Commission Meeting.

Elliott: On our agenda the Amendment is called 194 but in our packet it is called 196. Do we know which number it is?

Deeren: It should be 196.

Couture: We should amend the agenda to correct that.

Action-Motion: Motion made by Elliott/Hornberger to amend the agenda for 9. Business a. to read: Amendment 196 Escrow Public Hearing, seconded by Hornberger.

Passed Unanimously

Action-Motion: Motion made by Wunsch/Hornberger to approve the amended agenda.

Elliot: I am wondering why we aren't including the first line of 13.01, which is in our packet. Why they aren't the same.

Serocki: 1301 is fees. We changed it. We don't currently have one for fees. It is in certain standards but it is not overall in the different portions of the zoning ordinance, so the Zoning Ordinance Committee decided to add a section called "b" and put Escrow immediately after it. When we wrote b we realized that the first paragraph of the Escrow really works better in the fees. In the new zoning ordinance, that is how it will read but for now, since this is a band-aid amendment, we will just be putting this in the current ordinance.

Elliott: So my question is why are we not making them the same, if our goal is to have the verbiage of 13.01, why is the amendment not the same?

Deeren: The fees are associated with what we would collect on different things. The Escrow amount is the amount that has to be placed in Escrow that covers the cost of any additional fees.

Elliott: I understand that. But what I have been presented with tonight is a Section called 13.01 that has the exact same verbiage and it addresses the same question, and yet they don't read the same. There are things like you use base fees here and zoning fees there. I don't understand why they wouldn't be exactly the same.

Serocki: We could have just had the one sentence under fees and had all of this under Escrow. But as we were reviewing this for the public hearing we realized that this is really discussing fees and what if you need extra fees to pay for professional services. The rest of this is for how you handle the Escrow in terms of setting it up, if more is needed or if some is left at the end. So, we moved the first paragraph into b. because it is basically about fees and how to establish if you need more fees to put into Escrow. Escrow is a banking aspect of the fee structure and that is why we moved it. Now, this is pretty much amendment 190 and what has been done is just to change who can set the fee structure for Escrow. If someone wants to get a Land Use Permit, we want them to realize they have fees. It

might be that they go over the fees on the sheet that we have given them and if it does then they go to Escrow and it will be placed in Escrow. So, we thought it read more smoothly and we talk about it more when we get to article 13 but if you don't think it reads smoothly, we can change it.

Wunsch: One of the reasons we talked about making these changes at the Town Board is that currently we add money to the Escrow either through the Planning Commission or the Town Board, which really gets awkward when you have an ongoing project. The Escrow runs down below the threshold rating to replenish the Escrow funds. Basically it is the fix the Town Board is looking for.

Peters: We are correcting this in our current ordinance with having this amendment. Our current ordinance does not logically set the fees, permit fees, and then go into Escrow. It has it in 2 or 3 different places. In the new draft we are trying to put some logic in that section 13. We are just trying to fix this to make this to make it easier for the Treasurer's Office to do the appropriate billing and do the Escrow. We may not get the new zoning rewrite done for a good number of months, so that is why they don't match.

Elliott: I understand why the first line pertaining to fees; they would not be included in 196. I don't understand why it is almost verbatim in the rest of the paragraph and 13.01 are fees and escrow. We'll discuss it when we get to 13.01.

Serocki: They are the same because this is now and that is later.

Elliott: I don't understand why they are not exactly the same.

Peters: This is a band-aid so that we are patching up something that is not working now.

Couture: There is a motion on the floor to approve amendment 196 and it has been seconded. Is there any further discussion?

Elliott: Why does it say *basic fees* In section 4.2 Escrow?

Serocki: This is what is in the language now.

Elliott: I thought it was discussed in your meetings. I do believe there should be a comma after "project" on the 3rd line, "related to the project, then the..." Without the comma it is difficult to read. First paragraph, section 4.3 Escrow, 3 lines up: "other professionals as necessary or other Township direct costs related to the project, then the...."

Couture: Isaiah would you amend your motion to include the comma after "costs related to the project, then"

Action-Motion: Motion by Wunsch/Hornberger to amend motion made by Isaiah and to approve the amended motion to include all changes.

Passed Unanimously

a. Year End Report - approve

Serocki: I would suggest that anything that happened in 2018 be removed from the Year End Report.

Elliott: I wondered the same thing but we are at the end of the fiscal year on March 31st. Which year are we tracking?

Serocki: We are following the calendar year. I think that anything that relates to 2018 be removed. I think that we were supposed to approve it for the Town Board. I don't know if we want to

spend time going through it and remove all that or we bring it back in April. I have the changes and can go through them.

Serocki identified items in the document that were 2018 action and suggested they be deleted from the 2017 document. Deeren and Peters made comments about needing to correct errors, make the deletions and clean it up and then have Laura look at it.

Couture: Perhaps it might be best to retype this and resubmit it. Why don't we table this until next month and then it can go on the Consent Agenda.

Action-Motion: Motion made by Wunsch/Shipman to table Business Item b. until April.

Passed Unanimously

b. *Winery amendment to Food Processing Plant - discussion*

Deeren: It has been brought up to Gordon Hayward that some of the wineries would like to serve food over and above cheese, crackers and meats. What they are asking for is to have some menu items brought in and they want expansion of facilities too.

Peters: In the letter from Gordon, he specifically had the request from Black Star Farms for additional storage space.

Deeren: And for increasing tasting room areas and retail space.

Peters: You brought up an issue too. At the bottom of Gordon's memo he said "another issue I would like to have a working committee look at is operating hours", so that is a third item. At the Town Board in February the small wineries license topic came up. There was an excellent conversation between the clerk Joanne Westphal and our lawyer. Two or three more winery issues came up. This is a much larger item to think about and Gordon suggests that we have a working committee. I think it is more important than a working committee of the Planning Commission. I think this should be another committee and it should probably have someone from one of the wineries. I particularly recommend that you go back and listen to the streaming of the meeting where this particular issue is discussed. You can locate it at minute 39 on the meeting dated 2/27. Again I wanted to point out that this is larger than 1 or 2 issues and we ought to think about identifying and engaging a group of knowledgeable people for a committee that has some representation from us, the Town Board, the wineries and others from the community, specifically David Taft.

Serocki: I thought that Black Star wanted to get an answer to their request sooner rather than later. Increasing the storage area has been something that other wineries have looked at too and I wonder if this isn't something that could be looked at immediately. In Gordon's letter he wants us to look at closing time and increasing the processing area. Maybe we should find out what he thinks about starting another committee. That stretches him thinner.

Hornberger: I think that the letter from Black Star Farms is a discrete thing that needs to be looked at earlier rather than later. I understand Monnie's statement about looking at all of the material at once. But we have one winery that is making a formal request and so I don't think we can form a

committee to take care of a lot of things when we have Black Star Farms asking for one particular thing. We can move on the other issues at later date.

Elliot: The letter from Black Star Farms says that they would like formally request an application for a very sight specific variance. But Gordon is saying this is an amendment request. Can you help me out, Laura?

Serocki: I think that this has been requested by other wineries because they have told us that the numbers we have in the ordinance are too small. They generally need more area for processing and storage. Already several wineries have come in and asked the ZBA to approve extra storage and we have. I think that what Gordon is saying is that we should do an ordinance to allow it.

Elliot: His amendment request is discrete from this variance.

Peters: This will be an amendment to their Special Use Permit.

Deeren: They need to request an amendment in the SUP for additional storage space versus an amendment to the zoning ordinance, because they are asking for is a variance from that specifically which is in the zoning ordinance. So if they fill out the paperwork for an amendment to their SUP, it would go to Public Hearing. It could be approved independently from other ones.

Wunsch: Are they running into limitations with maximum caps of the ordinance? There are a lot of issues that we need to look at that are in the gray area between agricultural and commercial retail activities.

Elliott: Laura and Christina have mentioned that the ZBA is continually being asked for variances on these issues. Is this different than that?

Serocki: If you have an SUP winery chateau you just come in and ask the PC for an amendment. There are no limitations to your underground storage. Black Star's SUP was granted by the ZBA. It was never looked at by the PC. I am not sure what they follow: Winery Chateau, Use by Right or if they follow their own rules.

Deeren: So, it should be looked at then. They are saying they are not a Chateau.

Elliott: Is that why they are requesting in their letter? They are referencing the ordinance; maybe they meant to say amendment. It is all very confusing.

Wunsch: I don't recall the details but there was a prior retail use on the site.

Couture: What we are asked tonight is whether or not we are interested in forming a joint committee. It seems to me that in the letter addressed to Gordon they are asking for variances. I don't know if they are asking for us to do something.

Wunsch: Can we get some information from someone who is here? The gentleman raising his hand.

Lee Lutz: I'm the General Manager for the Black Star Farms Winery along with Bob who submitted this letter. Basically we were directed by your former planner Brian to submit it as a variance request of the existing ordinance, not an amendment. Black Star Farms here on Old Mission is currently set up as a Use by Right organization. No SUP was ever granted. We started this discussion with Gordon Uker, some four years ago and we were told then that this is a work in progress and through various

working committees we were going to get to some of these changes that a number of us had been trying to work through. The last two vintages have created some urgency for this. We wanted to try and break ground on this this year which is why this is coming to you now.

Serocki: I think we should get Gordon's input to see if he doesn't think it is a variance, which would go to ZBA.

Deeren: If it is a Use by Right property and they don't have a SUP it would be a ZBA issue. They are asking for a variance for the size of the structure. It looks to me that it limits out at 1500 sq. ft. and they are asking for 8,500 sq. ft. so they are asking for an additional building space which would be a ZBA decision to increase that square footage.

Serocki: Maybe Gordon wants us to look at the overall picture for all wineries. Maybe we should approach it as a variance for Black Star.

Deeren: I would start with the ZBA as a variance request, if it is Use by Right property.

Serocki: I am uncomfortable without Gordon being here to find out why he put it in front of us.

Couture: He's suggesting a working committee.

Serocki: I don't want to do a working committee until we talk to Gordon. It sounds like there is an immediate concern. I don't know why we are being told to do an amendment when they are asking for a variance.

Couture: We cannot help with the immediate concern here as that is a ZBA concern.

Deeren: I think Gordon is asking for an amendment to the zoning ordinance itself.

Serocki: So Gordon is asking for one thing and Black Star is asking for another?

Deeren: I think so. That is how I understand it. Gordon is asking for an amendment to the zoning ordinance to allow for expansion of the production facilities. But Black Star is asking for a variance request.

Wunsch: It would be difficult for the ZBA to justify granting this. They would basically need to have a reason for granting an exemption. I haven't looked at it, but you guys normally do caps of these for wineries, right?

Lee Lutz: Keep in mind this is just for production and storage, not for retail.

Deeren: The other part of this is that he says that the Planning Commission may wish to have a working committee look at the specific needs of all the wineries related to the areas for production and storage. Maybe it needs to go back to our working committee and that is why it is on here for discussion.

Wunsch: How difficult is it for you to enter this as an additional or accessory building?

Lee Lutz: That is what Gordon Uker originally talked to us about. But with the way the facility is set up, to have it not a separate building makes much more sense than moving between the buildings. Gordon Uker said if separated by 6 inches it could be a separate building but anyone in agriculture knows that 6 inches can create an awful lot of issues related to operations. This again was something we were directed to put forth with the former planner, not to put words in Gordon Hayward's mouth, but he knows, as Laura is saying, that there are other wineries looking at this need as well. Perhaps the

amendment would address all of those needs. But again this is something that is more urgent for us at this time. We are not interested in going forward with the whole Chateau designation as an SUP because we really don't have interest in the other things that go along with it.

Couture: I am not sure there is any action we can take this evening. Gordon is suggesting that we look at forming a special working committee. I don't know if the board wants to pursue that now or wait for until Gordon is here and take it up then.

Serocki: I think we discussed this a little bit at the Zoning Ordinance meeting and I thought he was going to discuss with Isaiah if his committee could take on this particular aspect. Did you do that, Isaiah?

Wunsch: No. If you would be more open to talking about it, I can provide more of my perspective but I think this being more on the purely ag. side of winery issues. I would be much more comfortable with our ordinance and probably what we are looking at here, than to look at more contentious issues such as the food offerings, events and those kinds of things.

Couture: We do not have to make any decision on this tonight.

Elliott: In reference to Isaiah, if we wanted to talk later about a working committee on the big winery issues. I am wondering with strictly this agricultural piece of it that we might have Isaiah get going on in your committee because, as you say, it is discrete in a way.

Wunsch: If my committee members are comfortable with taking this on, it would probably be a fruitful discussion to have.

A discussion was held between Peters and Couture to allow for Public Comment to occur during this time to possibly assist in helping to determining which way to go. Couture reminded the audience of the Citizen Comment time allowed for later in the agenda.

Shipman: I would support Isaiah and his committee taking on that specific portion.

Couture: If there are no other comments we will take up this discussion at our next monthly meeting. We will move on into our next agenda item. We will go a little off from the agenda, after talking to Christina. Cindy is going to come up and give a brief introduction. Please state your name and address.

d. Country Inn – Bed and Breakfast – Short term rental – discussion

Cindy Ruzak, 1994 Carroll Rd., Traverse City, MI 49686. I am owner of the Grey Hare Inn Bed and Breakfast. For some members of the PC, the subject of tourist accommodations and other options for short-term rental is new. Rightfully it deserves a significant amount of deliberation to settle on appropriate goals and make sure they are achieved. But the ideas being discussed tonight have also been dealt with through several sub-committees with many of those present involved, through previous public hearings, town board and other processes over 15 years. The delay has caused undo hardships on legitimate Bed and Breakfast operations because of over restriction of the land use on large properties, with resulting negative financial impact, including difficulty selling such properties at their true values. Therefore, I ask you to be as expeditious with your deliberations as possible. Whatever decisions are made tonight I hope the result will be a specific path toward resolution of what many have recognized and accepted as an inequity in the ordinance that needs to be corrected. If what has been written is not

acceptable to forward to Public Hearing, then I hope there will be specific comments on what needs to be altered, with specific methods and time table for implementation by whatever committee to which this subject again gets delegated. The issues regarding the Bed and Breakfasts were recently combined with the bigger picture of all short-term rentals, creating potential for even further delay because of the complexity. The minutes of the joint PC /TB meeting of March 14th seem to further complicate the discussion and the potential delay by adding in a long-term housing rental to the deliberation. If all can be resolved together to create a compact clear ordinance for accommodations, then that is fine. Christina and I attempted to do so by creating just 2 categories: Tourists Rooms and Country Inns. If this larger goal of all types of rental properties is going to be discussed for months or even longer, then I would request the PC consider dividing off the subject of tourist accommodations and limiting the scope to resolving issues with the B & B ordinance in order to more quickly resolve that portion of the picture by revising the current ordinance in one of the two ways listed. Then fit that into the all-inclusive rental price later. As I have stated before, without strong enforcement, penalties for violations establishing in conjunction with all of these options, whatever they end up being, is meaningless. So further delay by debating things that can't be enforced anyway becomes even more unfair to those B & Bs waiting for a resolution to a reasonable change request for zoning equity and land use. Other ag-related tourism ordinances such as wineries have been adapted to market conditions to enable success, so it is time the accommodations portion of the agri- tourism be addressed. Thank you for your consideration.

Serocki: Christina, could you give us a little overview since you helped prepare this.

Deeren: When I did this I had made a change to the B & B ordinance and introduced a Country Inn ordinance. In the committee, The Country Inn ordinance was changed to Scenario A and the B & B ordinance was changed to Scenario B. The B & B ordinance limits the property to owner occupied, serving breakfast, the number of rooms you can have, and the number of people you can have in those rooms. In a Country Inn facility, with more acreage, there would be an increase in rooms and an increase in activity. That is why we separated it out for the purpose of keeping the B & B on a smaller land scale and opening up the Country Inn option for bigger parcels of property.

Elliott: I have some questions about number of occupants and room sizes. Item #8 in Scenario A seems confusing.

Serocki: # 8 does say, "the rental sleeping rooms shall have a minimum size of 250 sq. ft. for 2 occupants with additional 75 sq.ft. for a maximum of 4". I have to assume that would be 9 rooms with 4 guests, which would be 36 guests. That would be your max.

Elliott: That sounds like a lot to me.

Wunsch: This is something that was discussed at last short-term rental committee meeting. We talked about this proposal and our feelings are that there needs to be some revision. Gordon was a little more open to the idea of having a density of up to 36 guests on a property than some of our committee members. Basically what we wanted to present to you tonight is this Country Inn as kind of a upper limit threshold of where our committee is going with a short-term rental ordinance amendment. The B & B ordinance is similar but is the next step down, similar to the current B & B ordinance. Then we had a working group where we invited members of the public to talk about short-term rentals several months ago. From all the input we received at that meeting, it seemed like generally the owner- occupied short term rental/B & B model is working and there haven't been many complaints about that type of use. However, there have been a lot of complaints surrounding Airbnb where the owner is absent and is

renting the property out to whoever rents it on Airbnb or another home sharing platform. The direction we are heading here is beefing up the enforcement language. Our planning staff and enforcement staff are currently operating under the assumption that any rental under 30 days outside of the B & Bs is prohibited in the Township. They have been working to enforce the ordinance relative to the full house rental as well as to the home sharing approach. Given what we have learned, what you are likely to see first is a joint proposal to beef up enforcement against whole house rental model, as well as a one year permit for a license for house sharing. We are giving the specifics of what that would look like to our attorney. If it is a viable option, what we would like to look at is providing a density home share and owner-occupied structure subject to no complaints and the expectation of a high standard of performance year after year. The amendments to the B & B and the new Country Inn concept will be a different phase we'll work through to come up with a proposal for you. We are going to tackle full-house rental and some kind of accommodation for tourist, boarding rooms, basically Airbnb in your own house. We are really looking for clarity and better enforcement tools for those areas where we have had a lot of problems. We are really pushing to have lower density uses outlined before we get into the busy tourist season. So what we are looking for is a sense from the rest of the PC as well as the public: is this the right direction for us to be taking or should we be doing something drastically different? We feel the approach we are taking is consistent with what we have heard from our staff and the public; however there are serious issues with enforcement and nuisance. Before we keep going we want to make sure we get some feedback from the PC.

Couture: I noticed under Scenario A that there is not limit to days that someone can rent their house? I know from the meeting I went to a year or so ago, some PC members were thinking of limiting the number of days per month anyone could rent, just to keep it from becoming too big of an impact on the surrounding homes. One thing I heard from the Public Comment is that some people are renting their shoreline homes constantly, which was the real problem for some of the folks. Maybe an occasional use wouldn't have such an impact on the surrounding area.

Wunsch: One of the things we were looking at with the permitting processes is how to structure it in the way that if there are substantial nuisances with certain properties we would just not reissue a permit. Two of the big reasons for going to a permit instead of an SUP or Use Right is that if it does become a problem we have recourse to make changes down the road. We are basically talking about AirBnB, its important to keep the land use similar to single family residential. If you were to grant a SUP there would be more incentive to have a purpose-built structure versus a homeowner renting a single room. You have a short term right to rent that spare guest room. So an ideal there would be lower barrier entry but it not a guaranteed thing.

Hornberger: I have noticed there is nothing in here about the density either, how many next to each other.

Wunsch: We have had discussions about that.

Serocki: We did discuss if we should allow a limited number (say 10) of Room Rentals or Boarding Room licenses a year, of course complying with an inspection, parking, ingress and egress and fire codes including smoke and fire alarms. We would probably have a distance required between homes, a certain number of feet between. We have to see if the attorney feels it is feasible or not and that is why we don't have anything specific for you at this time.

Wunsch: Basically all governmental entities seem to have an inspection requirement. We haven't discussed a fee structure yet. As we look at how this is to be structured we know we need to

maintain a level of control for the Township but also insure that there isn't so much complexity and cost that we run into noncompliance. Realistically there are many people running Airbnb's in the Township. One model has been a serious nuisance problem, but the other type of use has not generated the same type of complaints. Figuring out how to maintain control without costs is huge.

Couture: In talking to the attorney about inspections, I wonder if it opens up the Township for liability, when you start inspecting homes, as opposed to a business.

Peters: One of the differences of doing a license is a mechanism that could be put into place and tried. Whereas when you try writing something into a zoning code it is kind of like it's in stone. Isaiah mentioned the idea would be to set up something to try for the year. That would be an advantage once our attorney gets through all the particular issues. At the moment we are at the point that everything that is going on out there is illegal and we are not doing anything about it. We had the Public Session last fall during which people said activity where the owner is present renting one or two bedrooms was not a problem. Where you had the whole house rented it was a disaster. I think what the committee was thinking about was a licensing process as opposed to an ordinance. If Christina, our zoning administrator, hears about problems she can revoke the license. The other thing I would like to hear from the rest of the PC is on the other end, Scenario B. We currently limit our B & B community and this would allow more to go on. What are other people's reactions?

Serocki: The very last page says, "Events of over 250 may be permitted under a Special Event Permit, approved by the Director of Zoning and Township Board". I read that to say an event with 249 or less can be held and there is nothing that says the Township has to be notified. There are 20 a year allowed with no mention of size of parking which could lead to all sorts of problems such as parking.

Elliot: I agree, Laura, that the parking, in particular, could become an issue. We already know of a situation where the number of attendees did not exceed the established occupancy permitted by the fire marshal in accordance with the structure's maximum capacity. There was no place to park even though the building capacity was not exceeded and the fire marshal could not do anything. We do need to look at that. If there is a building that has 9 rooms that can accommodate 4 people each (250 sq. ft. + 75 + 75), you are going to have a big building.

Wunsch: One of my biggest concerns as a farmer is preserving what the community has invested in through the purchase of development rights in an effort to preserve agricultural land. I realize there is pressure to make a business model viable, but if we make it too viable we lose what this community has invested in agricultural preservation. We have limited restrictions on what we can do to insure that what the tax payers paid to keep agriculture would be preserved.

Hornberger: How many of the Scenario Bs could we support on the Peninsula, given that we only have Center Rd. 36 people per Inn, driving back and forth to town in July or worse yet, all summer long.

Wunsch: My conflict with the winery expansion dealt with seeing where the request for more storage is purely agricultural. However I think this falls into the grey area. The proposal we are currently looking at is purely commercial use of agricultural property, less prescription that the land be used for agri-tourism than just a blanket allowance that you can have this many rooms and this many guests.

Elliott: I am comfortable with allowing this until we get to events. Isaiah you explained very well how events plays into the ag situation. The 36 is daunting but realistically, even though we don't want all the drivers, would anyone build a place that big? I don't know.

Wunsch: The other question of events is that every commercial use out here want more events. Events are inexpensive to maximize property if you are using it as a wedding venue or a event space, as has been reported by Wineries, People owning empty barns, Ag. parcels, B & Bs, and if we were going to look at any of those uses for events there would be significantly more requests from others. We need to think about allowing events in any of our commercial uses in the context of the bigger picture which everyone is asking us for high frequency of usage for events.

Serocki: We were talking about sending out a short survey in the next newsletter asking about feedback on short-term rentals. Maybe we should include a question about Country Inns. I know we will be doing a big survey prior to the completion of the Master Plan in 2019-2020, but maybe we need to ask more questions now.

e. Review Zoning Ordinance Rewrite Committee Article 13

Couture: It has been a lot of work to get where we are and it probably needs more work but we need to bring it before the Board to get input. Monnie, you are the chair of the subcommittee, so do you have any thoughts.

Peters: What you have in your packet was Gordon's attempt at taking the changes of the Word document and cleaning it up. Unfortunately I think it is difficult to read through and understand because the numbering and lettering virtually got lost. We should at least spend some time walking through what we can because we realize we are at a point where we want PC input. We are coming close. The red sections indicate incomplete work and will be worked on. We decided we would start at the back of the document and go forward.

Couture: Do we want to go section by section? The numbering, lettering and loss of codes makes it difficult to follow. We are looking for input, general or specific thoughts from you. We will get a chance to review it one more time after taking your ideas and revising the document.

Elliott: Definitions are very important and I am wondering since terms like escrow, fees, permits are very important. Do we need to define them?

Couture: The draft we are working from should be on the website and we can pull that up. Terms like fees and escrow may not be on the document. Some of the terms came up after we did the definition section. One of the things we struggled with in redrafting the ordinance is keeping it from becoming the tax code. Part of me wants to say we need to be as thorough as we can be but on the other hand I am not sure we want to produce a 1,000 page document. I think words such as graphs, fees, escrow etc. the ordinary understanding of the terms is sufficient. That is part of when you go through this we did try to streamline an enormous document.

Serocki: Under section 2.01 g., "any word not interpreted or defined by this article shall be used with the meaning of common or standard realization and a dictionary may need to be consulted".

Couture: You'll see a couple sections where we need to get the attorney involved in the rewrite. There is a lot of thought that went into the each section. Patrick will fix the coding.

Elliott: I have a lot of notes here but as I hear you speak I realize that maybe I should just come to you individually and inquire into each with you. In article 13 there is a void. What does that mean?

Serocki: When we worked on article 13, we moved escrow which was 13.108 from the back to the front. Patrick McKenna will make the correction on the sections. The voids are indicting place value for the corrections needed.

Elliott: Another question along the same lines. For instance, in Specific Requirements, they are just not numbered. Are they going to be numbered?

Serocki: They are numbered in the draft but we took out a couple charts and when we did that the numbers disappeared too.

Couture: Numbering and lettering need to be fixed so that is what Patrick is going to be doing.

Hornberger: I do have some very picky comments on word usage but I do not need to go through that here and now. I can send my marked up copy to you and you can see what I am talking about.

Peters: Please be picky, because the more we get the really picky now it will help us finalize the work. Anything that does not make conceptual sense, please indicate where you see it.

Hornberger: Would it be better if I attend a committee meeting to share with you my picky stuff? Or do you want me to send you my copy?

Couture: Either way works for the committee.

Couture: That is all our business for the meeting. I will open the meeting up now for Citizen Comments. I ask that you please state your name and address before you speak.

10. Citizen Comments:

Mark Nadolski, 10 W. McKinley Rd., Traverse City, MI 49686. I am speaking as President of Protect the Peninsula. Protect the Peninsula strongly objects to creating an ordinance for short-term rentals in Peninsula Township. Many of the reasons are addressed in the letter sent to you from Dave Murphy and Sue Peters. Our current ordinance, which requires thirty day minimum for rental of residence, has worked in keeping conflict with renters under control. Changing that to a short-term rental would create a huge problem that this township would not be able to control. We have seen the problems that the short-term rentals have already created. Making them legal will make the problems worse. The Township needs to look at the B & B ordinance. A reasonable revision of that ordinance can encourage others to start up B & Bs and keep conflicts from occurring between residents. Since the township does not have resources to monitor the short-term rentals they need to 1) improve their policing ability by asking residents to identify the illegal short-term rentals by contacting the township directly, 2) add more staff and dollars to identify and confront the illegal B & Bs and short-term rentals and 3) strengthen the township's ability to shut down illegal rentals quickly. If the township doesn't take control now, it will be impossible in the future to prevent conflict between residents and short-term renters. Dave and Sue's letter highlights what is going on and will only get worse. You owe it to the residents to keep these commercial activities from illegally infiltrating our residential and agricultural areas. Country Inns are a commercial use. They are basically hotels and should not be allowed in agricultural zones. Thank you!

Chuck Goodman, 1875 Gray Rd., Traverse City, MI 49686. My wife and I own Overlook B & B. My comments are random. I didn't prepare anything because I wasn't sure what was going to be discussed tonight. Overall hearing about the issues, I haven't heard anything new. This first started over 16 years ago. There have been many committees to talk about all these issues but there never seems to be much of a resolution. So I certainly encourage some attempt to come up with a more timely resolution. I am and always have been interested in the number of concerns expressed about wineries and their viability, but no one really takes seriously the viability of a B & B. Certainly B & Bs must be in demand because of all the Airbnb we see here on the Peninsula. If there is a good legal B & B it is

probably going to do pretty well, although it won't do so well if all the illegal Airbnb's exist. The whole concept of a Country Inn was first talked about at least 16 years ago. At that point in time, it was in connection with talk of 20 rooms which was on Ag. property which seemed like a lot to me. In terms of where to go from here, it seems that there is enough knowledge by those people in business, by you folks, and maybe some cross section of the community to be able to resolve a lot of these issues in a short fashion. There is really no excuse for dragging this on, other than just not wanting to find a solution. In terms of size of an enterprise, we have one example of Chateau Grand Traverse that has a B & B of 11 or 12 units and that may be commercial but so is all of ag. It may not be zoned commercial but it is an enterprise. There are a lot of enterprises that a lot of people endorse and tolerate without having to get all shook up about what zone they are in. Unfortunately our process has made it so that you have to have certain things in certain zones. I chaired a committee that dealt with the whole issue of commercial zones 15 years ago. We came up with all kinds of uses that people felt tolerable and good without referring to the zones, which always seem to get in the way. Maybe we should redefine zoning although I don't see that happening any time soon. I certainly and personally would be willing to be more involved, even though it seems to be so futile when it is a frustrating exercise. All the issues you brought up tonight I could give you lots of input on those from my involvement in another township on those very areas. I have also been involved in and been the President of an Ag-tourism Association. We dealt with a lot of agri-tourism, B & B and other kinds of things that are commercial in the definition that you would find in the dictionary as it may or may not be with respect to zoning. Other than that, the one thing that really struck me is that we do have a very big frustration, not just B & B owners, but people in general have a frustration with the fact that we can have something like Airbnb, which doesn't have to live up to the same standards as citizens in our community would like to have lived up to. Some of them may be just fine. We don't have the mechanism to guarantee that to the same extent when you are a more carefully approved B & B or something similar. Thank you!

Cindy Ruzak, 1994 Carroll Rd., Traverse City, MI 49686 I am in complete support of 95 % of everything that comes out of Mark's mouth and I am probably repeating a lot of what Chuck said. Three points I'd like to remind and clarify that I have mentioned in letters before as well as made comments in committee meetings before. They are reminders. 1) Making a new permit process an easier access for accommodation seems, with the same restrictions we are living under it is going to be a real easy process to go get a permit; you get the same number of rooms, no problem. So to make it the same restrictions we are living under seems unfair to all of us who are currently operating under a SUP. It is like throwing that away. I think there does need to be that stricter control in however you want to do it. But easy access is not going to solve the problem. I think the committee is thinking that if they give 10 or 20 permits all the illegal operations will be legal, no they won't. You are going to still have a problem because human nature is human nature. People, who aren't going to conform, aren't going to conform even though you give them a way to make it easy and inexpensive. Meanwhile our process wasn't. I have a real issue with that. I also think that it's tough if we do it and it is successful, but next year it is 20 or 30 rooms. You basically flooding a market that is underutilized. We are not all full. So you are really kind of putting those of us in business, out of business. I know that is not your concern as a Planning Commission, but it is a reality. 2) I know there is a lot of concern with the number of people allowed in a Country Inn. 36 seeming like a lot of people. The way that Christina and I wrote it, that isn't allowed until you reach 40 acres. If you want to consider it in relation to what is allowed on 50 acres under the Chateau ordinance and decide to do the expanded version of a B & B, with what I have been

recommended of adding a room for every additional 5 acres you wouldn't get to 9 rooms until you had 50 acres. Right now you can have a 10 room B & B, which is known as a Chateau, ad 20,000 sq. ft. winery with thousands of people coming in and out every day, and seven home sites. Yet I l'm on 40 acres with 3 bedrooms. So in that relationship 36 doesn't seem like such a big number. 3) Finally, the lovely topic of events. What Christina and I wrote and intended got jumbled when it went to committee. It was never intended to be 249 people at an event on 10 acres of land. The way this was written is very workable. There is nothing in our ordinance under 250 people and that is part of the problem. What Christina and I suggested stepped it down to 100 people. You can't even do an event on the Peninsula, even private citizens unless you get a permit. The intent of the B & B was not intended to be 250 on 10 acres of land. It was intended to be coordinated and in collaboration with how big the property was, the space around it, the number of acreage and the house itself. It would be more like a private event. Events would be typical small family event, a wedding for 20 people in the back yard. When you are on 27 acres of land who would care. No one even knows it is going on if it happens. That was the intent and it got misread and/or rewritten from the time we wrote it to the time it got presented to you. That's not how it was supposed to be. Events are part of every day at a winery. We just want some consideration that we can do parties that might be for profit that are no bigger and no greater impact than what a single family residence can do. This is my single family residence and I am way more restricted than a plain private resident. Thank you.

Dave Sanger, 1699 Braemar Dr. Traverse City, MI 49686 I know most of the ordinance and, of course, most of the township. My intent is not to sway you tonight but I just want to take a couple minutes and give you input from myself . I hear what you are saying and what the residents are saying about enforcement. Based on last summer, I observed firsthand the contention at three different homes in our Township where the entire house was rented out by strangers coming and causing very serious and disruptive behavior to the people right next to these homes. Fortunately we were able to shut two of them down even though they may start up again. Just today on Airbnb, there are 22 new listings in our township that weren't there 2 weeks ago. They have become very much an underground culture. It is very difficult to find out who are these people and where are these homes. You have to have the knowledge to find the home, let alone the address. The citizen input I get is that they want strong enforcement but I want the PC to hear tonight that the enforcement is difficult. The investigative effort is very time consuming. I am writing what you would call a traffic ticket. I am going to be in front of the magistrate and prove to the magistrate the particular section of the ordinance that was violated and lay out the evidence and information to make the case or the Township has wasted its time. It involves a lot of physical evidence. I have been in contact with our Township attorney and know we have to follow specific rules. In my position I cannot go up to the door and engage a guest. I can't engage a guest leaving the home as it could be construed that that could be interference by the Township. I am limited, and have to gather information that is not easy to get. I have to make the case the property was rented for less than 30 days. The ordinance has to be specific. I encourage you to read the section of the ordinance that deals with short-term rentals. The way I see it is that a short-term rental is a commercial business. Way back in 1972 it was determined that the Township has always held the position that a rental of less than 30 days is a commercial business, only allowed in a commercial zone. So, the ordinance doesn't have a checklist that an officer, such as myself, can go to the magistrate and show the sections that have been violated. You have to go into the ordinance and see the ZBA ruling of 1989 is listed under the residential section of the ordinance. We have had a challenge take place in the last year

by several non-owner occupied rentals in the ag zone. Even on a local radio station, one realtor made the statement that he knows for sure the short-term rentals in the ag zone on the Peninsula Township are allowed. This is not true. I am not taking a position for or against short-term rentals, as that is not my job as an employee of the township. I am concerned that we have the residents talking about issues and problems and they are asking about solutions and the job of gathering the evidence that will stand up in court and enforcing the ordinance is difficult. Keep in mind that if the citizen prefers to go before the District Judge, that is the citizen's decision and if they want a formal hearing the civil infraction hearing is taken away and it goes right to the district court. Many of you know how those infraction hearings work. I will continue to do my job and if you have thoughts please call me. Thank you!

Curt Peterson, 1356 Buchan Dr., Traverse City, MI 49686. Thank you very much. As most of you know, I am both a host of a Airbnb property, and I have also used Airbnb around the world. I would be glad to answer questions after I talk for a couple of minutes. What I would offer tonight, is that I am a big proponent of home share where the owner is present. We have been doing this since 2015 and have had absolutely no problems. I would say to you or ask a question: If you had a study that looked at what was happening in terms of Airbnb and if there have been any problems Airbnb with Homeshare have been here since at least 2013 and there have been no complaints of any Airbnb property that I am aware of that relate to when the homeowner has been present. In other words I am talking about homeshare, not the whole house rental. Mr. Sanger has talked about the nuisance properties we have had here on the peninsula and essentially now that we have an enforcement officer, we are paying more attention to it. The problems are being taken care of and until we had an enforcement officer there were problems. I had a friend who lives on Neahtawanta and he had a nuisance problem two doors down from him where the whole house is rented. The owners live out-of-state and were not there. We have heard of what has happened on some of the roads where we are sitting right now. Our group is for responsible home share and there are a number of us who do this. I would say make your permitting process easy enough that people will actually sign up for a permit. Some towns actually have where you have to sign an affidavit that you have smoke, fire and carbon monoxide alarms, egress, safety card. That's what we do when our guests come to our house we show them the whole house, including the various alarms, we give them a safety card and tell them what to do in case of an emergency. It is only common sense. This can all be worked out and again don't over regulate something that is working. I am not sure about the number of 22 new listings dealing with Home Share, where the owners occupy the property. We haven't had any problems, but instead only wonderful guests who come and spend money here. If you want to do a permitting process go for it but make it easy enough and people will register. After a year you will have statistics to look at. If you have questions I'd be glad to answer them.

Cameron White: I was here last month. I would like to urge this commission to move forward with an ordinance that would bring Peninsula Township into compliance with the State Medical Marijuana Laws and the Medical Marijuana Facilities Licensing Act. It is pretty essential, from both a private and public perspective, that an ordinance be passed, given the market competition that will occur later this year and early next year. There will be a really competitive climate and there is a lot of competition from other county and municipalities that may come into this region and for those of you who don't know, we have a very strong demographic up here in the Northwest corner of the state of Medical Marijuana patients, particularly in Grand Traverse County. There are over 2,700 Medical Marijuana patients and over 400 Caregivers. From a public and municipal perspective, I see this as an opportunity for Peninsula Township to continue to diversify agriculturally and provide an opportunity

for farms in transition or facing a bit of a generational divide between older and younger fruit tree and vineyard growers. A little bit of contextual background: I have had the opportunity over the last 6 years to operate in the state as a caregiver with five patients. I am 27 years old and during that time I attended the College of Natural Resources through MSU at the NMC extension and obtain my degree in the field of Applied Plant Sciences as well as Fruit and Vegetable Crop Management. I have had an opportunity to go out and scout for a number of fruit tree and vineyard growers on both Leelanau and Old Mission Peninsula and I think it's pertinent that there is an understanding of the pressures these growers are under, both market conditions and some agricultural specifics as far as foreign and invasive species. There are a number of foreign invasive species making management of fruit very difficult and market conditions, internationally and from other markets, making things increasingly difficult. Compounding that issue will be the closure of some of the processing centers for these regional growers. I would once again ask this commission to make yourselves familiar with the Medical Marijuana Facilities Act and move forward with an ordinance. Thank you!

11. Board Comments:

Peters: In the packet addition that came out today, Gordon put the calendar dates in. I am not positive that we are to do anything, but I wanted to make sure everybody has seen them and particularly that our meetings will be the third Monday of the month except for the months of January and February when that Monday will land on a federal holiday. Therefore the meeting will be on the fourth Monday of those months. Christina, I am not sure that there is anything else particular about that.

Deeren: What we wanted every Board to get a chance to look at their potential meeting dates for the upcoming year before the Town Board adopted the calendar. We wanted to give you a chance to see it and review it.

Peters: I know it is also budgeting time. I do know that we are sort of thinking through the short-term rentals and your committee will be doing the survey which will need some dollars. Depending upon how fast we go through the zoning rewrite it has always been the view that once we get a document, we do public information sessions and get the public to start weighing in before we actually go to the Public Hearing and get the final approval. If we were to get to that this year we will need money there. Laura, do you have thoughts about what kind of money we would need?

Serocki: I am not sure we would be able to hold those Public Hearing meetings in the Townhall or if we want need a larger arena, which would need to be rented.

Peters: My question to staff, Christina, is how do we funnel requests when we are unsure of what we will need?

Deeren: We have a proposed budget sheet out right now, so I would suggest that you come and look at it and see what is proposed. If there are categories you think you need increases in then you would ask for those. If we run out of money we can always ask for an amendment to that budget later on. If we see something down the road that we hadn't budgeted for we can ask for an amendment.

Peters: OK, so I will make a visit to see you and take a look at it. I am not sure that I if you told me there was a certain amount for the Planning Commission whether I would know, based on what is paid to us,

Deeren: The budget is fairly organized and we have it broken down into categories. If you think there is an area needing an increase, do so.

Serocki: One thing we did mention is that in 2019 we might start the survey for the next Master Plan and that is a significant amount of money.

Peters: Does anybody else have any budget items that they can think of?

Deeren: Just come and see me about the budget if you do think of something. We are going to start talking about the budget with the Town Board staff next week when Rob returns on Monday. So tentatively Tuesday is when we are going to start looking at all of the budgets.

Hornberger: I just don't want this Black Star Farms request to fall through the cracks. The very last sentence asks us to contact them as soon as possible and I would like to see the planner or zoning administrator get back to him. I think the sense of our meeting today was not to put it on the back burner but push forward with this as soon as possible.

Wunsch: Yes, just having a sense of how the ZBA and knowing what the limitations of the Black Star Winery and ordinance are, we are going to have to make a decision to increase sq. footage for processing and storage or decide not to.

Hornberger: I would urge the committee to come to a decision expediently.

Action-Motion: Shipman/Wunsch moved to adjourn the meeting.

Passed Unanimously

Meeting adjourned by Alan Couture at 9:13 p.m.

Deb Larimer
Recording Secretary