MEMORANDUM – OFFICE OF THE VILLAGE MANAGER

TO: Village of Northport Planning Commission

FROM: Jered Ottenwess, Village Manager/Zoning Administrator

DATE: July 3, 2025

RE: Zoning Administrator Report and Agenda Summary

3. <u>Public Hearing – Special Use Permit for Short-Term Rental at 375 W Third Street</u>

Packet: 375 W Third Street SUP Binder, Resolution 2025-1

I have reviewed the application materials pursuant to Zoning Ordinance Article 19.04 Site Plan Requirements and deemed them sufficient. The Zoning Ordinance stipulates that the Planning Commission shall review each application to determine that each proposed Special Use meets the standards in Article 18.04.1 and 18.05.20.

To approve a Special Use Permit, the Planning Commission must find that:

- The applicant has met all applicable ordinance standards (especially Article 18.04).
- The proposed use is reasonable, well-sited, and not injurious to surrounding properties or the Village.
- Any conditions imposed are directly related to mitigating potential harms or ensuring conformance.

When a zoning ordinance lists a use as permitted by Special Use Permit, courts presume that the use is not inherently detrimental, as long as it meets the stated conditions.

I have provided my findings on the proposed Special Use with respect to each of the standards below from Zoning Ordinance Articles 18.04.1 and 18.05.20.

18.04.1. General Standards. The Planning Commission shall review each application for the purpose of determining that each proposed use meets the following standards and, in addition, shall find adequate evidence that each use on the proposed site will:

a. Be designed, constructed, operated and maintained to be harmonious and appropriate in appearance with the existing or intended character of the general vicinity and that the use will not change the essential character of the area in which it is proposed.

Finding: The proposed Special Use is a single-family detached structure that is consistent with the character of the general vicinity. The proposed use will not change the essential character of the area in which it is proposed.

b. Not be hazardous or disturbing to existing or intended uses in the same general area and will be an improvement to property in the immediate vicinity and to the community as a whole.

A single-family detached structure would not be hazardous to existing uses. A short-term rental use is not per se hazardous or disturbing and courts have required municipalities to show documented evidence substantiating such a claim if it is used as a basis for denying a Special Use Permit. I am not aware of such evidence in the Village of Northport.

c. Be served adequately by essential public facilities and services, such as highways, streets, police, fire protection, drainage structures, water and sewage facilities and schools.

d. Not create excessive additional requirements at public cost for public facilities and services.

Finding: The proposed use is not expected to increase demand on roads, water, sewer, or emergency services beyond what is typical for a residential property. Parking is provided onsite in accordance with ordinance standards.

e. Not involve uses, activities, processes, materials, and equipment or conditions of operation that will be detrimental to any persons, property, or the general welfare by reason of excessive production of traffic, noise, smoke, fumes, glare, or odors.

Finding: The proposed use does not involve emissions or storage of hazardous materials, nor does it involve activities, processes, materials, and equipment or conditions of operation that will be detrimental to any persons, property, or the general welfare by reason of excessive production of traffic, noise, smoke, fumes, glare, or odors.

f. Be consistent with the intent and purpose of the Zoning District in which it is proposed to be located.

g. Be in conformance with the Village Master Land Use Plan.

Finding: The Zoning Ordinance allows Transient Lodging as a Special Use in all zoning districts. Therefore, the proposed use is considered consistent with the intent of the district. There is no language in the Master Plan that prohibits this use, and the allowance of Transient Lodging in all districts reflects the Village's interpretation of the Plan's goals, including promoting a flexible housing stock and seasonal economic resilience.

18.04.2. Conditions and Safeguards

a. The Planning Commission may stipulate conditions necessary to insure that public services and facilities affected by a proposed land use activity will be capable of accommodating increased services and facility needs caused by the land use or activity, to protect the natural environment and conserve natural resources and energy, to insure compatibility of with adjacent uses of land, and to promote the use of land in a socially and economically desirable manner. Conditions imposed shall meet all of the following requirements:

1) Be designed to protect natural resources, the health, safety, and welfare, as well as the social and economic wellbeing, of those who will use the land use or activity under consideration, residents, and landowners immediately adjacent to the proposed land use or activity, and the community as a whole.

2) Be related to the valid exercise of the police power and purposes which are affected by the proposed use or activity.

3) Be necessary to meet the intent and purpose of the zoning requirements, be related to the standards established in the zoning ordinance for land or activity under consideration and be necessary to insure compliance with those standards. The conditions imposed with respect to the approval of the land use or activity shall be recorded in the record or the approval of action and remain unchanged except upon the mutual consent of the approving authority and the landowner. The approving authority shall maintain a record of conditions which are changed.

b. Bond for Compliance. In authorizing a Special Use Permit the Planning Commission or the Zoning Administrator may require that a bond of ample sum be furnished to ensure compliance with requirements, specifications and conditions imposed with the granting of the Special Use Permit.

18.05.20. Short-Term Rentals

a. Short- term rentals include single-family dwelling units that are rented to individuals for a fee. The length of a short-term rental is between one (1) day and thirty (30) days.
b. The exterior of the dwelling shall appear as a standard single-family rental, with one (1) primary entrance.
c. Sufficient parking for the rental use shall be provided on the property.
d. The short-term rental shall have designated location for boats, bikes, jet ski, and personal watercraft.
e. A contact person, who resides year-round in Leelanau County, shall be available 24-hours a day, seven (7) days per week for the purpose of responding promptly to the complaints regarding the conduct of occupants of the short-term rental unit.
Finding: the proposed Special Use as proposed is consistent with the above standards. The applicant provided a contact person in their short-term rental registration application.

Recommendation: the Planning Commission shall consider the application based on the review provided here and your interpretation of the standards in the Zoning Ordinance. I have prepared a resolution to either approve, approve with conditions, or deny the Special Use Permit. The Planning Commission may also require that a "bond of ample sum be furnished to ensure compliance with requirements, specifications and conditions imposed with the granting of the Special Use Permit." I recommend that the Planning Commission consider a condition that, if approved, the Special Use Permit is subject to a FEMA Letter of Map Amendment removing the proposed structure from the FEMA-designated flood zone, which the Applicant has stated is in progress. As part of its action on the proposed Special Use Permit application, the Planning Commission should state as part of its resolution whether the application meets or does not meet all applicable requirements in the Zoning Ordinance and approves, approves with conditions, or denies the Special Use Permit, and if approved with conditions, what those conditions are.

7a. Zoning Administrator Report
-Joni and I found the table of contents from Wade-Trim and are going to include it in the official Zoning Ordinance moving forward. No formal action needed.
-Quick follow-up from the last Planning Commission meeting on June 19: I have researched the Zoning Ordinance for regulations pertaining to chickens or the keeping of other types of animals. The only section I have identified is Article 3.12 which states that it "shall be unlawful to keep animals that are injurious to the health, welfare and safety of the public." Please let me know if you know of any other regulations.
-I have been reviewing a land use permit application to move a cottage across the street on N Shore Dr. near Sixth. Owner reportedly intends to build a new house on the lakeside lot that will be vacated by the relocated cottage. I'm waiting on water and sewer connection permits (and fees) and I'll be able to issue a permit.
-Received notice about a single-family home that may have started operating as a short-term rental since the recent amendments to the Zoning Ordinance, which now requires a Special Use Permit for such use. I am in the process of investigating it, but proving use can be very difficult and enforcement action does not seem likely.
-Spoke with owner about future use of 107 Smith Avenue, possibility of splitting parcel into two buildable lots and building one or two duplexes or single-family homes with accessory dwelling unis.
-Spoke with owner representative for a property on N Ransom St, just south of Eighth Street, about nonconforming structure and its nonconforming status. I suggested that residential would be highest and best use. Parcel includes four buildable lots.

-I attended a recent Michigan Association of Planning webinar about “missing middle” housing, which is a range of multi-unit or clustered housing types that are compatible in scale and form with single-family homes. I am going to review the Zoning Ordinance with respect to regulations that might limit development of missing middle housing types, e.g. single-family conversions, duplex, triplex, fourplex, cottage courts, etc. I think it is important to ensure that these housing types are allowable by right under existing code.

8a-b. Discussion of Master Plan

Packet: TBD

Chair Gale requested that Planning Commissioners develop new goals for the Economic Characteristics section of the Master Plan. We can discuss further and consider proceeding to the next sections in August.

8c. Public Properties Rubric (Five Properties)

Packet: Public Properties Rubric

I completed the rubric with the information I have available. I suggest paring down the list of properties for further consideration.