MEMORANDUM – OFFICE OF THE VILLAGE MANAGER

TO: Village of Northport Planning Commission

FROM: Jered Ottenwess, Village Manager/Zoning Administrator

DATE: May 8, 2026

RE: Zoning Administrator Report and Agenda Summary

3. <u>Public Hearing – Special Use Permit for Short-Term Rental at 160 West Street</u>

Packet: SUP 2026-3 Application Binder 160 West St, Resolution 2026-5

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.

Finding: 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.
Finding: The proposed use would be served adequately by essential public facilities and services. Water and sewerage services are available.
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.
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.
g. Be in conformance with the Village Master Land Use Plan.
Finding: 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 as indicated in their STR application and on the SUP site plan.

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." 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.

4. Public Hearing – Special Use Permit for Short-Term Rental at 214 E 6th Street
Packet: SUP 2026-4 Application Binder 214 E 6th St, Resolution 2026-6
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.

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- The applicant has met all applicable ordinance standards (especially Article 18.04).
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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.

Finding: 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.

Finding: The proposed use would be served adequately by essential public facilities and services. Water and sewerage services are available.

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.

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.

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

Finding: 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.

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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.

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Finding: the proposed Special Use as proposed is consistent with the above standards as indicated in their STR application and on the SUP site plan.

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." 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.

8a. <u>Zoning Administrator Report</u>

- No Land Use Permits issued since my last report.
- I received two STR Special Use Permit applications on May 5: 1) 320 S. Shabwasung and 2) 10798 North Shore Drive. Both applications are incomplete and I have provided feedback to the applicant. They have until Monday, May 11 to revise and resubmit in order to be scheduled for the June 10 Planning Commission meeting.
- Village Council held their Work Session on May 7 and discussed a range of topics, including next steps in developing the two Village-owned properties on High and 7th Street. Council intends to move forward with a six-unit multi-family building on the High Street property and a combination of eight attached and detached units with a cottage-court design on 7th Street. We still need to work out details before preparing a Request For Proposals, for example, with respect to affordability targets and rental/for-sale mix on 7th Street. Consensus seems to be not to include a requirement for trail/park development on the park-designated 4.7-acre parcel.

  Other Council Discussion:

  → Council directed me to consult with realtors about the marketability of the five-lot parcel on West Street and work toward listing it for sale.

  → Council directed me to prepare a resolution to place a millage question on the ballot for the Mill Pond Dam.

  → Council intends to amend the Fee Schedule, including for STR registration and various zoning-related fees.
- I encourage the Planning Commission to consider further amendments to the Zoning Ordinance, particularly related to allowing greater flexibility for "missing middle" housing types. Accessory Dwelling Units are an important aspect of this issue, which I have discussed with Chair Gale. The Zoning Ordinance currently has contradictory regulations in the Use Table and Special Use sections that I plan to schedule for discussion, probably at the next meeting.

9a. <u>Master Plan</u>

Packet: Place Strategies Master Plan Scope of Effort Proposal

If there is support to move forward with the proposal from Place Strategies and Placecraft, I suggest paring down and further detailing the scope of services. I recommend capping expenditures at around $22,000-$25,000 for inclusion in the FY26-27 Budget.

<u>Recommendation</u>:

- Strike Master Plan Coaching, $10,000.

- Strike Stakeholder Interviews and Public Events, $3,000 each.

Total Cost would be $21,000, including optional service to provide "workable GIS materials for various maps. Drill down on how "Community Engagement" is defined, i.e. "questionnaire to validate the takeaways from the 2024 Community Survey and validate emerging priorities/goals/actions to inform the draft plan." Consider expanding scope in that respect by $1,000-$4,000 or consider one of the optional interviews or events.

9b. Rezoning – R-2 S Shoreline Residential District

Packet: REVISED R-2 S Draft Regulations

Background: at the April 8 meeting the Planning Commission continued discussion of potential amendments to the R-2 S district, focusing on shoreline protection standards including impervious surface, setbacks from the ordinary high-water mark, and vegetation management. Commissioners discussed the concept of allowing reduced setback distances where overall impervious surface coverage is limited, emphasizing a performance-based approach to minimize environmental impact. The Commission also discussed establishing clearer standards for vegetation removal, including limiting the area of clearing for viewsheds and distinguishing between "limbing" and full clearing to preserve canopy and shoreline character. Commissioners expressed a preference for practical, non-engineered stormwater approaches rather than requirements involving specialized design or construction. The attached draft revisions to the ordinance reflect that discussion.

Summary of Revisions:

- Rebranded the proposed district from "Shoreline Form District (SFD)" back to the existing "R-2 S Shoreline Residential District" to better reflect the Village's continued use of a conventional zoning framework and use table.
- Removed introductory language emphasizing a standalone form-based code structure, including references to regulating "form, massing, and orientation over use" and references to a separate "Regulating Plan."
- Restored and revised portions of the existing R-2 S purpose statement emphasizing compatibility with neighboring buildings, preservation of viewsheds, and shoreline character.
- Retained the previously discussed 60-foot minimum buildable width standard and added a definition clarifying that buildable width is measured between required side setbacks within the buildable envelope.
- Added shoreline protection standards regulating impervious surface coverage, waterfront setbacks from the OHWM, shoreline vegetation management, stormwater runoff, and grading activity.
- Incorporated a performance-based waterfront setback option allowing reduced setbacks where lower impervious surface coverage and shoreline vegetation standards are maintained.
- Added objective vegetation management standards addressing clearing width, limbing, canopy preservation, and native vegetation retention within the waterfront yard.
- Added grading and stormwater standards intended to reduce runoff impacts and preserve shoreline stability using practical, non-engineered approaches.

- Removed the prior "Conflict Clause" section and language regarding continuation and reconstruction of nonconforming structures for parsimony and consistency with existing ordinance provisions.
- Removed references to administrative flexibility intended for a standalone form-based code structure, while retaining limited administrative authority for minor deviations.

Discussion**:**
I suggest addressing generally whether the Planning Commission supports recommending the range of regulations included with this revised draft. Although the proposed regulations are consistent with environmental protections recommended by EGLE (see "Resilient Coastal Communities Planning Guide"), some may view them as onerous. In addition, please consider how these regulations would be implemented and enforced and the practical implications for property owners.

9c. Public Participation Plan
Packet: Public Participation Plan Draft
Background: Chair Gale drafted a revised PPP based on the Village of Elk Rapids' plan, which we did not have the opportunity to discuss at the April 8 meeting.