Communication to the City Commission

TO: City Commission
COPY: Russell Soyring, Planning Director
FROM: Martin Colburn, City Manager
MEMO DATE: July 16, 2020
SUBJECT: Ordinance Amendment - Vacation Home Rentals (C-1, C-2, T, & D)

EXECUTIVE SUMMARY:
Attached is a memo from Planning Director Russell Soyring regarding an amendment relating to vacation home rentals in the C-1, C-2, Transportation and Development districts. Mr. Soyring explains in detail the amendments related to vacation home rentals in these districts as well as outlines a policy for implementation which determines what vacation home rentals would be considered "grandfathered."

RECOMMENDATION:
That an amendment to the Traverse City Code of Ordinances, Section 1347.01, Section 1348.01, and Section 1340.01, Vacation Home Rental Amendments, which would restrict vacation home rentals in the C-1, Office Service, and C-2, Neighborhood Center Districts, and would allow them in the Transportation District and maintain vacation home rentals as an allowable use in Development Districts, be enacted with an effective date of July 30, 2020 and consideration of adopting the related policy.
TO: Martin A. Colburn, City Manager
COPY: Lauren Trible-Laucht, City Attorney
FROM: Russell Soyring, Planning Director
MEMO DATE: July 13, 2020
SUBJECT: Consideration of an amendment to restrict Vacation home rentals in Chapter 1340 C-1, Office Service District and Chapter 1342, C-2, Neighborhood Center District, and to add Vacation home rentals as an allowable use in Chapter 1348, Transportation District, and maintain Vacation home rentals as an allowable use in Chapter 1347, Development District.

EXECUTIVE SUMMARY:
In response to the City Commission's motion on June 15 to allow Vacation home rentals (VHR) to continue to exist as an allowable use in the C-1 and C-2 Districts with a numeric limitation and to add the same use in the Transportation District without numeric limitation please see the attached amendments.

Please note that an amendment has also been prepared for the D (Development District) to state that Vacation home rentals are allowed without a numeric limitation. If the D District amendment was not included, Vacation home rentals in the D district would also have numeric limits since the ordinance reads, "C-2 uses without drivethroughs" are allowed in the D District.

In summary, if the draft amendments are enacted, Vacation home rentals would be limited to the greater of 1 or 25% of all dwellings on parcels with two or more dwellings within the C-1 (Office-Service) District or C-2 (Neighborhood Center) District. VHR's would be allowed without numeric limitations in the HR, D, C-3, C-4 and T zoning districts.

Should the draft amendments be enacted, the Planning Director and City Attorney have developed the following administrative policies to determine if a development would be “grandfathered” or given a legal non-conforming status:

1. All existing and pending licensed Vacation home rentals in the C-1 and C-2 districts will be grandfathered provided all of the following are met:
a. The dwelling unit in the building is completed or substantially completed.

b. The Vacation home rental meets the City licensing requirements.

c. Application for a Vacation home rental license has been applied for prior to the effective date of the amendment.

(If the Vacation home rental license is lost due to failure to meet City requirements, the property may lose their non-conformity status.)

2. All pending and existing Vacation home rental uses that are licensed or have applied for a license may be transferred to a new owner only if licensing status has not been terminated by the City for failure to meet City requirements.

(If the property loses a Vacation home rental license for failure to meet City requirements, the property may no longer be eligible to obtain a license ad infinitum.)

3. Any building under construction that meets the following:

   a. Building foundations have been installed for the building(s) where Vacation home rentals are intended to be located;
   
   b. The applicant has provided in writing the expressed intent to operate as a Vacation home rental in that building;
   
   c. A land use permit and building permit have been issued; and,
   
   d. All other City licensing requirements will be met, including the corresponding Building Construction Code specifications for R-1 and R-3 building types of mixed-use buildings.

In addition, should numeric restrictions for Vacation home rentals in C-1 or C-2 districts be approved, the Planning Director and City Attorney recommends that the effective date for the ordinance be deferred until November 1, 2020.

RAS
TRAVERSE CITY CODE OF ORDINANCES

ORDINANCE AMENDMENT NO. ______
Effective date: _______________

TITLE: Vacation Home Rental Amendment

THE CITY OF TRAVERSE CITY ORDAINS:

That Chapter 1340 (C-1 Office Service District), Section 1340.01, be amended to read in its entirety as follows:

1340.01 - Uses allowed.

The following uses of land and buildings, together with accessory uses, are allowed in the Office Service District:

• R-29 District uses;
• Art galleries;
• Business services;
• Child care organizations, as defined by MCL 722.111 et seq., as amended;
• Educational services, except schools;
• Engineering, accounting, research, management and related services except testing and laboratory services;
• Finance, insurance and real estate services;
• Funeral services, excepting crematories;
• Health services except hospitals;
• Legal services;
• Mailing services;
• Medical equipment sales and rentals;
• Membership organizations;
• Offices;
• Personal services, including walk-in laundry and dry cleaning pick-up stations, but laundry cleaning and garment services are not allowed and without drive-throughs;
• Places of worship;
• Public administration, except correctional institutions;
• Repair services - watch, clock and jewelry;
• Repair services - reupholstery and furniture;
• Security services exclusive of sales and installation;
• Social services;
• Vacation Home Rentals meeting the following requirements:
  a) The Vacation home rental is located on a parcel with two or more dwellings.
  b) The maximum number of Vacation home rentals on the parcel shall be the greater of one (1) or 25% of the total number of dwellings on the parcel.
  c) A City Vacation home rental license is maintained.
• Veterinary services, without outdoor runs.

The effective date of this Ordinance is the ________ day of ______________, 2020.

I hereby certify the above ordinance amendment was introduced on ____________________, 2020, at a regular meeting of the City Commission and was enacted on ____________________, 2020, at a regular meeting of the City Commission by a vote of Yes: ____ No: ___ at the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

_____________________________________________
James Carruthers, Mayor

_____________________________________________
Benjamin C. Marentette, City Clerk

I hereby certify that a notice of adoption of the above ordinance was published in the Traverse City Record Eagle, a daily newspaper published in Traverse City, Michigan, on ____________________.

_____________________________________________
Benjamin C. Marentette, City Clerk

As Prepared and Reviewed by:

_____________________________________________
Russell A. Soyring, Planning Director
Date:

_____________________________________________
Lauren Trible-Laucht, City Attorney
Chapter 1340 (C-1 Office Service District)

Date:
TRAVERSE CITY CODE OF ORDINANCES

ORDINANCE AMENDMENT NO. ______
Effective date: _______________

TITLE: Vacation Home Rental Amendment

THE CITY OF TRAVERSE CITY ORDAINS:

That Chapter 1347 (Development Districts), Section 1347.01 Uses Allowed be amended to read in its entirety as follows:

1347.01 - Uses allowed.

No use shall be open to the public between the hours of 2:00 a.m. and 6:00 a.m.

The following uses of land and buildings, together with accessory uses, are allowed:

Ironworks (D-1), Depot (D-2) and Red Mill (D-3) areas:

- C-2 uses without drive-throughs;
- Banquet halls or conference rooms;
- Communication establishments;
- Contractors' offices with no outside storage;
- Lodging facilities;
- Markets, public or municipal;
- Manufacturing or processing, no larger than 10,000 square feet, of:
  - Apparel and other finished products made from fabrics and similar materials;
  - Bakery products;
  - Beverages;
  - Canned, frozen and preserved fruits, vegetable and food specialties;
  - Dairy products;
  - Food preparations and kindred products—miscellaneous;
  - Furniture and fixtures;
  - Leather and leather products (finished), except leather tanning and finishing;
  - Measuring, analyzing and controlling instruments, photographic, medical and optical goods, matches and clocks;
- Medical marihuana provisioning center meeting the following requirements:
(1) The medical marihuana facility and use shall comply at all times with the Michigan Medical Marihuana Facilities Licensing Act, Chapter 845 of the Codified Ordinances of the City of Traverse City, and the rules promulgated pursuant to the Michigan Medical Marihuana Facilities Licensing Act, as they may be amended from time to time;

(2) The medical marihuana provisioning center shall not be in operation between the hours of 10:00 p.m. and 7:00 a.m.;

(3) Except for medical marihuana processors as set forth in this section, no other medical marihuana facilities use shall occur on the parcel;

(4) Except for parents or guardians of a qualifying patient and the person holding a license under the Michigan Medical Marihuana Facilities Licensing Act and Chapter 845 of the Codified Ordinances of the City of Traverse City or staff of the medical marihuana facility, persons other than a qualifying patient or primary caregiver shall be not permitted within the medical marihuana provisioning center when medical marihuana is being transferred;

(5) No use or consumption of marihuana shall be allowed at the medical marihuana facility;

(6) The medical marihuana facility shall not be used by a physician to conduct a medical examination or issue a medical certification document for the purpose of obtaining a qualifying patient registry identification card under the Michigan Medical Marihuana Act;

(7) A qualifying patient under the age of 18 shall be accompanied by a parent or guardian and notice of such shall be conspicuously posted;

(8) A medical marihuana provisioning center shall not be located within a 1,000-foot radius from any existing school;

(9) An owner or operator of a medical marihuana provisioning center shall not have been convicted of a felony involving controlled substances within the last 10 years;

(10) The medical marihuana provisioning center shall have at all times a valid and current operating license issued by the State and the City of Traverse City under Chapter 845 of the Codified Ordinances of the City of Traverse City;

(11) All activities of a medical marihuana provisioning center shall be conducted within the building;

(12) The smell of marihuana shall not be detectable outside of the portion of any structure where marihuana is present;

• Parking structures, public or private, subject to the following standards:
Development Districts

(1) Parking structures shall be designed to have horizontal versus stepped or sloping levels at areas of public view. Ramping shall be concealed from public view to the greatest degree possible.

(2) Openings shall not exceed 60 percent of the total wall surface. Openings shall be vertical or square.

(3) Sloped roofs are not required for parking decks, however:
   a. The upper and lowest level of parking shall incorporate sufficient screening to shield cars from public view.
   b. Parapet treatment is required to terminate the deck and give proper architectural finish to the structure. Cornices, overhangs and other devices which are consistent with the language of historical buildings may be employed.

(4) The design of parking decks shall be consistent with the design of historical buildings in the area.
   • Stores, retail, no larger than 8,000 square feet per floor per single retailer;
   • Theaters, except outdoor theaters;
   • Vacation home rentals maintaining a City Vacation Home Rental License.

The effective date of this Ordinance is the ________ day of ______________, 2020.

I hereby certify the above ordinance amendment was introduced on __________________, 2020, at a regular meeting of the City Commission and was enacted on __________________, 2020, at a regular meeting of the City Commission by a vote of Yes: ____ No: ___ at the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

_____________________________________________
James Carruthers, Mayor

_____________________________________________
Benjamin C. Marentette, City Clerk

I hereby certify that a notice of adoption of the above ordinance was published in the Traverse City Record Eagle, a daily newspaper published in Traverse City, Michigan, on ____________________________.

_____________________________________________
Benjamin C. Marentette, City Clerk
Development Districts

As Prepared and Reviewed by:

______________________________
Russell A. Soyring, Planning Director
Date:

______________________________
Lauren Trible-Laucht, City Attorney
Date:
Transportation District

TRAVERSE CITY CODE OF ORDINANCES

ORDINANCE AMENDMENT NO. _____
Effective date: ________________

TITLE: Vacation Home Rental Amendment

THE CITY OF TRAVERSE CITY ORDAINS:

That Chapter 1348 (Transportation District), Section 1348.01, be amended to read in its entirety as follows:

1348.01 - Uses allowed.

The following uses of land and buildings, together with accessory uses, are allowed in the Transportation Zone:

- OS District uses, including buildings 3,000 square feet or larger in gross floor area;
- GP District uses;
- I District uses, except C-2 District Uses and medical marihuana facilities;
- Air transportation, including airports and airport terminals;
- Amusement and recreation services (indoor only);
- Automobile gasoline/convenience stores;
- Automobile, motorcycle, trailer, recreational vehicle or boat showrooms;
- Brew pubs;
- Business services;
- Drugstore;
- Engineering, accounting, research, management and related services;
- Finance, insurance and real estate services;
- Finance services without drive-throughs;
- Indoor fruit and vegetable markets;
- Landing areas;
- Laundromats;
- Legal services;
- Lodging facilities;
- Microbrewery;
- Motorized vehicle dealers, mobile home dealers, watercraft dealers and recreational vehicle dealers subject to the following conditions:
(1) All outdoor display and storage in front or on the side of a building shall meet landscape requirements for parking areas.

(2) Outdoor display areas shall be differentiated from parking areas using contrasting surface material and shall be designated on a site plan.

(3) Any display platforms shall not be elevated more than 3 feet higher than the adjacent public right-of-way.

• Parcel packing services;
• Parking areas, public or private,
• Passenger transportation services;
• Personal services;
• Pet grooming services without outdoor runs or kennels;
• Repair services;
• Restaurants, family, fine and fast without drive-throughs;
• Retail use of 10,000 square feet or more;
• Security services;
• Services stations and repair stations;
• Theaters;
• Theatrical producers, entertainers, bands and orchestras;
• Transportation service;

• Vacation home rentals maintaining a City vacation Home Rental License;
• Vehicle wash facilities as permitted in the C-3 District;
• Veterinary services, without outdoor runs;
• Water transportation.

The effective date of this Ordinance is the _______ day of ______________, 2020.

I hereby certify the above ordinance amendment was introduced on __________________, 2020, at a regular meeting of the City Commission and was enacted on __________________, 2020, at a regular meeting of the City Commission by a vote of Yes: ___ No: ___ at the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

_____________________________________________
James Carruthers, Mayor
Benjamin C. Marentette, City Clerk

I hereby certify that a notice of adoption of the above ordinance was published in the Traverse City Record Eagle, a daily newspaper published in Traverse City, Michigan, on ________________.

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Benjamin C. Marentette, City Clerk

As Prepared and Reviewed by:

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Russell A. Soyring, Planning Director
Date:

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Lauren Trible-Laucht, City Attorney
Date: