

**PLANNING COMMISSION
MEETING MINUTES
September 17, 2008
COUNCIL CHAMBERS
7:30 P.M.**

I. CALL TO ORDER

The meeting was called to order at 7:30 p.m.

II. ROLL CALL

Present: R. Johnson, G. Clark, B. Lenart, J. Schultz, K. Smith, R. Andrews

Absent: B. McClemens, (excused) D. Lautenbach (excused)

Staff: Richard Murphy City Planner,
Teresa Gillotti, MSU Extension Planner

III. APPROVAL OF MINUTES – August 20, 2008

Commissioner Clark moved to approve the minutes of August 20, 2008 with changes as noted (Support: K. Smith) and the motion carried unanimously.

Chairperson Johnson recommended amending the agenda putting "New Business" ahead of "Old Business", due to the potential length of the items listed under Old Business. Commissioner Clark moved to amend the agenda as recommended by Chairperson Johnson and Commissioner Zuellig supported the motion. The motion was carried unanimously.

IV. AUDIENCE PARTICIPATION

None

V. NEW BUSINESS

1486 Washtenaw – Expansion of special use to include retail sales of beer produced on site.

Staff presentation was made by the City Planner, Richard Murphy who has not yet had an opportunity to review the plan yet due to a late submission. For the most part, the previous site plan was implemented and most of the site work has been completed. There are still a few items being worked on by the contractor. The application is to add brewing and selling of beer from the site along with the wine-making and selling business that currently exists there. This would be considered an expansion of the Special Use – previous approval stated that retail sales of alcohol as a Special Use would be permitted and one of the conditions was limited to wine produced on site.

The site did have some issues with the adjacent business on the same site during his previous presentation of the site plan in relation to hours of operation and dumpster on the parking lot in a residential district. Those were all addressed. Mr. Murphy feels that the proposed use can be compatible with the site and adjacent properties, and would not cause any significant burden to adjacent property owners, however; it is his opinion that the applicant should discuss the magnitude of the brewing operation proposed and operational details of the current wine-making, i.e. how much is produced and sold on site vs produced and sold to a few stores in the area. This would also give the board the opportunity to determine the volume of brewing and volume of distribution traffic can be expected for the site.

Mr. Murphy recommends that this be tabled so that he can do a full review of the site plan and incorporate any information that the applicant can provide at this meeting.

Chairman Johnson asked Mr. Murphy his understanding of the stipulation on Page 2 of the staff report in which it stated that “the B1 district allows manufacture of food products, provided that a minimum of 50% of the products are sold at retail from that location.” Mr. Murphy responded that it is his understanding that it would permit something like the River Street Bakery to open, begin business, begin production, as they do, selling the majority of what they produce at the Food Coop, whereas, Terry Bakery would not be permitted to open in a district that had this requirement currently as they are primarily a “production for distribution business” rather than a retail store front business with products sold on site.

Commissioner Lenart asked if the samples would be limited to small size samples or would the micro-brew beer license provide greater flexibility on size of servings. Mr. Murphy responded that he would recommend they maintain the small sample size.

Mr. Murphy added that he had contacted the Liquor Control Commission to check on limitations on the license but as of this date, he has had no response.

Commissioner Clark moved to open the public portion of the hearing (Support: B. Lenart) and the motion carried unanimously.

Dave French, Vinter at E-Brew – he will be handling the brewing if proposal is approved. He is proposing the same kind of operation that they are currently running with the wine where they let people come in and brew beer for personal use only – five gallon pots – they can then bottle and take home. They will sell some out the front door retail as well as some wholesale to a small distributor within a 10 mile radius to specialty stores. Their tasting will be limited to 1 oz. They do not plan to increase seating capacity. They currently contract Frog Island beer at

a company in Pontiac and will continue to work with them. They sell to Aubrey's, Sidetrack, etc.

Commissioner Johnson confirmed that people will be able to enter the store, use their equipment, purchase the ingredients, brew their own beer, label it and then take it home to which Mr. French responded in the affirmative. Commissioner Clark confirmed that they would also continue to contract with the kegging business in Pontiac to which Mr. French agreed. Commissioner Zuellig asked the difference between what they are brewing at this location and what they would continue to brew at the Pontiac location. Mr. French responded that they will be doing 22 oz bottles here in small volumes (8 cases) and doing keg beer (10 barrels) at Pontiac for bars and restaurants. Commissioner Andrews why they bottle here and not at Pontiac, and Mr. French responded that they have a lot of people who would rather brew at his place, especially students, who do not have room to do it at home and they also have a clean-up area. If the business grows, they will have to get larger fermenters, which will leave them no choice but to move since they are limited in space.

Commissioner Johnson stated that he did have concerns about capacity if this business grows regarding monitoring of parking, deliveries, return/empties, etc. but because of lack of plans, it is difficult to discuss it further. He suggested that Mr. French get with the City Planner to discuss all of these concerns. After further questions and responses by Mr. French, Commissioner Zuellig suggested that the board consider language to trigger return visit if they are really successful.

Commissioner Lenart moved to close the public portion of the hearing (Support: G. Clark) and the motion carried unanimously.

Commissioner Andrews moved to table this item so staff can review the site plan and the applicant can address some of the comments stated by board members (Support: K. Smith) and carried unanimously.

VI. OLD BUSINESS

1. Master Plan Amendments – Amend future Land Use map and Water Street Target Area

Staff report was presented by the City Planner, Richard Murphy who stated that this has been discussed previously and since then, has gone to City Council for discussion and authorization of distribution. It also went to the County Planning Dept, Public Health and Washtenaw Area Transit Study for comments. As a result of that, Mr. Murphy did make some changes to the land use recommendations in the target area. The primary effect of these changes was to rearrange the recommendation section to make it more understandable to those without prior knowledge of Water Street. One concern that arose at City Council, as well as from people in Ypsilanti, was that it seemed to still be too close to the previous version of having one master developer with primarily residential development, which they thought was inappropriate and wanted more clarification.

The City is now pursuing a multiple developer strategy, with a broader concept of what types of development could be appropriate for the site. While this approach demands more staff time to ensure coordinated development, infrastructure, etc. than would a single-developer with a

tightly-defined site concept, the fiscal pressures of the site and current economic conditions mandate considering broader options. The amendments are intended to support these broader options by laying out goals for the site rather than a single strategy.

Mr. Murphy distributed a “concept plan” for Water Street with proposed pricing structure which will be given to City Council for their special meeting to discuss pricing of the site. Our brokers have parceled it out into several chunks that they think are individually marketable or combined easily into marketable and buildable chunks as well as prepared some pricing guidelines for the individual parcels, which staff is hoping Council will approve at their special meeting. This will enable us to go into negotiations with interested parties.

Mr. Murphy recommended that the board approve the Master Plan changes that would give us some guidelines.

Commissioner Lenart asked if residential uses would still be considered and Mr. Murphy agreed that we plan to be as flexible as possible. Commissioner Zuellig agreed that we need to keep all options open; however, she feels we need to be careful about adding “big box” type of construction. Staff anticipates that development of the site will likely result in a few distinct bands of form and use. Designating the entire site generally as Mixed Residential/Commercial provides the maximum flexibility to determine where those distinct development regions are.

After further discussion, concerns and comments by board members, the proposed master plan amendment includes:

- Revising the text of the Water Street Target Area
- Revising the boundaries of the East Michigan Avenue and Water Street Target Areas
- Revising the Future land Use designations within the Water Street Target Area

Commissioner Lenart moved to open the public hearing (Support G. Clark) and the motion carried unanimously. Since there was no comment, Commissioner Lenart moved to close the public hearing (Support: G. Clark) and the motion carried unanimously.

Commissioner Lenart moved for the Planning Commission to adopt the proposed Master Plan amendments based on the following:

- 1) Providing flexibility of potential uses for the site.
- 2) To describe the character of development that is desired for the site
- 3) To provide an appropriate policy basis to consider future proposals for the site

The motion was supported by Commissioner Smith. A roll call vote was taken and carried unanimously.

2. Zoning Text Amendments – Amend PUD provisions to encourage adaptive reuse of historic structures.

Commissioner Clark moved to take this item off the table (Support: K. Smith) and the motion carried unanimously.

Staff presentation was made by the City Planner, Richard Murphy. He stated that he had reviewed questions from the last meeting and provided the board an outline of some of the changes he made, and some that he did not, based on his research since that meeting.

In response to one question about limiting the uses by linking to underlying zoning, it is his conclusion that we did not have to limit, and probably should not, since the motion of this issue was very unique sites. It is his opinion that we should leave the possibility for someone to propose something, and for staff/Planning Commission/Council to make the call that it is not appropriate at that time, rather than making that decision now. It does appear that a number of communities in the area do open the range of uses in a community to any use allowed in the ordinance regardless of the underlying use. He did not make any changes on that line. For the Historic District Commission's role and how that fits in, it is his opinion that this is something he should be clarifying with regard to any site plan that has to come before the Historic District Commission (HDC).

Within Sub-section IV, specifying that the Historic Commission review and approval of the site plan and any exterior building modifications must be received prior to construction and occupancy of the site, which is how Historic District Commission review of the site plan works now; doesn't have to come before or after the Planning Commission's review, just as long as it happens before the site plan is considered approved. Within the review procedure, Mr. Murphy did add in some language regarding the Historic District Commission's place in the process, Section 122-576 Review Procedures, that an application for a plan adaptive review project must receive the Historic District Commission's finding of eligibility prior to scheduling a public hearing and bringing it to the Commission. As discussed, we can also pre-qualify properties before we have an interested party. In Section V, any elements of a PUD application requires a review and approval of the HDC, which must be received prior to City Council action on the application, whether it is in the Historic District or is one of the adaptive re-use projects. HDC must provide approval before it gets to City Council. City Council may require some changes to the plan but at that point, we would have to go back before the HDC for their approval of the changes.

The question of appeals came up – specifying within the final section of the ordinance that any action of the HDC would be appealed as handled under the existing process for Historic District appeals going to the State Historic Preservation Office's review board. This is an independent process from the Planning Commission review and not something that City Council overturns as part of the PUD approval or be treated differently from any other HDC action.

Commissioner Lenart had mentioned about ensuring we had addressed the fee schedule and application process so that different applications did not have to be submitted but could be handled through one integrated process. Mr. Murphy responded that this is something that can be done outside the ordinance.

Board members confirmed some of the changes. Chairperson Johnson asked for clarification on "minimum size" which Mr. Murphy provided.

Commissioner Lenart moved to forward the draft ordinance to City Council for consideration and adoption (Support: G. Clark). A roll call vote was taken and carried unanimously.

VII. FUTURE DISCUSSION

Mr. Murphy reviewed the various issues that will be on next month's agenda.

VIII. ADJOURNMENT

Since there was no further business, Commissioner Lenart moved to adjourn the meeting (Support: G. Clark) and the motion carried unanimously. The meeting adjourned at 10:15 p.m.