

City Council

Regular Meeting Minutes

Monday, April 11, 2016
7:00 p.m., Council Chambers



1. Call to Order by Mayor Burr at 7:01 p.m.

2. Moment of Silence

3. Roll Call

Present: Jeff Arnold, Clark Gruber, Andy Klavins, Vickiy Kozlik Wall, Steve Schlack, Scott Smith, Bob Burr
Absent: None

4. Approval of Agenda

Moved by Kozlik Wall, seconded by Klavins, to approve the agenda.
Voted Yes: All. Motion carried.

5. Consent Agenda: Items A through F (Roll Call Vote Required)

Moved by Smith, seconded by Gruber, to approve the Consent Agenda as follows:

- A. Council will be asked to approve the City Council Regular minutes for March 21, 2016.
- B. Council will be asked to approve invoices totaling \$414,678.45 for the period ending April 10, 2016 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to review the bids received for the Peterson Ravine Manhole Rehabilitation project and consider a contract award to Culy Contracting, Inc. in the amount of \$37,407.00.
- D. Council will be asked to consider proposed upgrades to the traffic signal at Broadway and Phoenix and authorize City Manager to execute MDOT contract 16-5080.
- E. Council will be asked to approve the Agreement and Mutual Release for the Covert Township Water Tower.
- F. Council will be asked to approve the following minutes:
 - 1) January 19, 2016 Harbor Commission minutes;
 - 2) January 25, 2016 Board of Public Utilities minutes;
 - 3) January 25, 2016 Zoning Board of Appeals minutes;
 - 4) January 27, 2016 Housing Commission minutes; and
 - 5) February 8, 2016 Zoning Board of Appeals Special Meeting minutes.

A Roll Call Vote was taken:

Yeas: Arnold, Gruber, Klavins, Kozlik Wall, Schlack, Smith, Burr

Nays: None

Motion carried.

NEW BUSINESS

6. Council will be asked to approve the following special events:

- a. Special Event Application 2016-10 – Gathering to Give Craft & Vendor Expo to be held on June 25, 2016 at Stanley Johnston Park from 8:00 a.m. to 4:00 p.m.**

Background Information:

The Domestic Violence Coalition is requesting to hold a craft and vendor expo on June 25, 2016 from 8:00 am to 4:00 pm at Stanley Johnston Park. The funds raised from this event will be used to help support the Domestic Violence Coalition. Insurance has been provided

Moved by Klavins, seconded by Arnold, to approve Special Event Application 2016-10 – Gathering to Give Craft & Vendor Expo to be held on June 25, 2016 at Stanley Johnston Park from 8:00 a.m. to 4:00 p.m.

Voted Yes: All. Motion carried.

- b. Special Event Application 2016-11 – 58th Annual Summer Art Fair to be held starting July 1, 2016 through July 3, 2016 at Stanley Johnston Park from 10:00 a.m. to 6:00 p.m.**

Background Information:

The South Haven Center for the Arts is requesting to hold their 58th annual craft fair starting July 1, 2016 through July 3, 2016 at Stanley Johnston Park. This event brings in over 30,000 people to South Haven. South Haven Center for the Arts will provide volunteers and overnight security. Insurance has been provided.

Moved by Gruber, seconded by Arnold, to approve Special Event Application 2016-11 – 58th Annual Summer Art Fair to be held starting July 1, 2016 through July 3, 2016 at Stanley Johnston Park from 10:00 a.m. to 6:00 p.m.

Voted Yes: All. Motion carried.

- c. Special Event Application 2016-12 – Light Up the Night 5k to be held on Saturday, October 1, 2016 from 5:30 p.m. to 9:00 p.m. beginning at the South Haven High School.**

Background Information:

Light up the Night in South Haven 5K is ready for Council approval. This event is a 5K walk/run to raise funds for South Haven Public Schools. The course will begin and end at the High School (see attached map for route). The event will have music playing along the route at miles 1, 2, and finish line. There will also be pre-race activities from 5:30 to 7:00 at the school. This event will take place on Saturday, October 1, 2016 from 5:30 pm to 9:00 pm.

Moved by Smith, seconded by Klavins, to approve Special Event Application 2016-12 – Light Up the Night 5k to be held on Saturday, October 1, 2016 from 5:30 p.m. to 9:00 p.m. beginning at the South Haven High School.

Voted Yes: All. Motion carried.

- d. Special Event Application 2016-13 – “Light Up the Lake” Fireworks 2016 to be held on July 3, 2016 beginning 10:30 p.m. on the city’s beaches.**

Background Information:

The fireworks committee is requesting approval of 2016 fireworks event. As with years past, the fireworks display will be fired off the North Pier over Lake Michigan. The committee is working with the City to ensure that the town is prepared for the increased crowds. They are also working with bridge tenders so there are no issues with backups at the bridge.

Mayor Burr gave details on the annual event.

Moved by Kozlik Wall, seconded by Smith, to approve Special Event Application 2016-13 – “Light Up the Lake” Fireworks 2016 to be held on July 3, 2016 beginning 10:30 p.m. on the city’s beaches.

Voted Yes: All. Motion carried.

7. Council will be asked to consider the following sign requests:

- a. National Day of Prayer to place a temporary sign on the west side of City Hall front lawn beginning April 27, 2016 through May 5, 2016.**

Background Information:

The coordinators of the National Day of Prayer Service are again asking to place one (1) temporary sign on public property to promote the May 5, 2016 event. The sign is proposed for the west side of the city hall front lawn (Phoenix Street) and is 70 inches long and 29 inches high. A graphic of the proposed sign is attached to this report. The sign is proposed to be in place from Thursday, April 27 to Thursday, May 5, 2016 and will be removed immediately after the event.

Moved by Gruber, seconded by Klavins, to approve National Day of Prayer to place a temporary sign on the west side of city Hall front lawn beginning April 27, 2016 through May 5, 2016.

Voted Yes: All. Motion carried.

- b. Historical Association of South Haven to place a temporary sign on the backstop of the baseball diamond at Kids’ Corner playground from April through October 2016.**

Background Information:

The Historical Society of South Haven requests permission to place a temporary sign on the backstop at Kid's Corner playground. The sign, which will be 3 feet by 5 feet, is vinyl with wood backing displaying the message shown on the attached graphic. The sign will be posted from April through October, 2016.

Moved by Smith, seconded by Schlack, to approve Historical Association of South Haven to place a temporary sign on the backstop of the baseball diamond at Kids' Corner playground from April through October 2016.

Voted Yes: All. Motion carried.

8. Council will be asked to consider the sale of real property, parcel number 80-17-022-050-00, to Nicholas Wiatrowski in the amount of \$8,000.00.

Background Information:

The City Council will be asked to consider approval of the sale of property to Nicholas Wiatrowski. Nick Waitrowski approached the city in December 2015 about purchasing property adjacent to his father's address of 13517 Blue Star Highway for a second home for his family. The adjacent property is on the east side of Blue Star Highway and 420' north of 14th Avenue and lies between 13517 and 13747 Blue Star Highway. Title is held by the City of South Haven's Board of Public Works with a parcel number 80-17-022-050-00. The property was a site formerly used as an electric substation and transformer storage. The driveway and transformers have been removed however the cement pads are still in place.

Due to the previous storage of transformers on the property, there may be soil contamination in the area that the transformers were used. An environmental assessment has not been performed. The cost to remove the foundations, haul away the fill material, and if necessary, handling of the contaminated soil from underneath the transformer pad area will be the responsibility of the Wiatrowski's.

The city has negotiated a purchase price for the property in the amount of \$11,000 less \$2,000 for title work and \$1,000 for surveying for a net price of \$8,000.00. As stated in the Purchase Agreement, buyer would accept the property "as is, where is" basis.

Brian Dissette, City Manager, spoke on this item giving background information and indicating that Board of Public Utilities has approved the sale of this parcel of property.

Moved by Kozlik Wall, seconded by Arnold, to approve the sale of real property, parcel number 80-17-050-00, to Nicholas Wiatrowski in the amount of \$8,000.00.

Voted Yes: All. Motion carried.

9. Council will be asked to schedule a series of budget workshops for the upcoming fiscal year.

Background Information:

The City Council will be asked to schedule a series of budget workshops for the upcoming fiscal year.

Over the coming month, the City Council will be asked to host a series of workshop sessions to discuss the upcoming fiscal year budget. Through these conversations, elected and appointed officials will be able to refine the draft budget document, which meets the City Council's expectations.

Possible workshop dates that the City Council could consider are:

- Wednesday, April 20th at 6:00 p.m.
- Monday, April 25th at 6:00 p.m.
- Wednesday, April 27th at 6:00 p.m.

While, only one or two workshop sessions may be needed for the bulk of the budget development process. However, an additional session has been scheduled if more time is needed to discuss the budget.

Moved by Kozlik Wall, seconded by Klavins, to approve a series of budget workshops for the upcoming fiscal year to occur on April 20th, April 25th, April 27th at 6:00 p.m. at City Hall, in Conference Room B.

Voted Yes: All. Motion carried.

10. Council will be asked to consider the approval of the SHARP farm lease.

Background Information:

The City Council will be asked to authorize the City Manager to issue a farm lease agreement for the city's property in Casco Township.

The City of South Haven owns approximately 96 acres of farmland in Casco Township, located north of 103rd Street and 71st Street. The property is generally known as the "SHARP Park." The property was purchased by the City of South Haven using community donations for the development of a recreation facility. The SHARP property has been leased to the South Haven Area Recreation Authority "SHARA" for the development of a recreation facility. SHARA has discussed the property and noted that funds are not currently available to construct improvements to the site. As a result, SHARA has expressed support for the property being farmed during the 2016 farming season. The benefits to farming the property are twofold: 1) the farm lease will generate revenue; 2) the farming work will provide maintenance to the property, through the removal of trash/debris from the site.

The city's staff has prepared an updated farm lease agreement, with Mr. Matthew Hamlin, which will pay \$125.00 per tillable acre. The lease calls for GPS data to confirm the total tillable acreage of the property. The city's staff has met with Mr. Hamlin and found him to be in agreement with the terms of the lease. The city's staff has consulted with SHARA about the farm lease agreement, and found the board to be supportive of the farm lease. Finally, the city's staff has consulted with Casco Township's Assessor and confirmed that the farm lease agreement will force the SHARP site to be added to the township's tax roll. Staff has confirmed that the farm lease revenue should generate approximately \$7,304 in net revenue (after maintenance and tax expenses are paid.)

Should the lease agreement proceed, staff will deposit the lease revenue into the SHARP account. A portion of the lease revenue will be used to pay the taxes for the SHARP property.

Moved by Gruber, seconded by Smith, to approve the SHARP farm lease.

Voted Yes: All. Motion carried.

11. Council will be asked to introduce an ordinance regulating short-term rentals and to set the matter for a public hearing to occur on April 18, 2016.

Background Information:

The Planning Commission began actively working specifically on the rental ordinance the beginning of October 2015, meeting weekly following the City Council directive to create recommendations for their consideration.

Before that directive, the Planning Commission was already working on zoning ordinance amendments designed to alleviate some of the issues associated with short term rentals. Amendments proposed included:

- Eliminate the ½ story provision and reduce residential height from 40 to 35 feet
- Require additional parking for new residences with greater than 3 bedrooms. This requires more lot side and rear lot space dedicated to parking and limiting the proposed building footprint.

The City Council also adopted increased utility and hookup fees for houses with more than 4 bedrooms and/or bathrooms and authorized a dedicated police officer to enforce noise and disturbing the peace ordinances during summer months. These amendments and policy changes went into effect the end of 2015.

As part of the Planning Commission effort to create the recommendations for City Council, the planning commissioners and staff studied ordinances from other cities and contacted the administrators to find which options met with the most success. They also met with police department representatives to discuss noise concerns and complaints received during the high rental season.

Staff and planning commissioners received numerous emails, phone calls and public comments offering advice on the recommendations. Staff met with members of the public frequently to discuss various opinions on the proposed ordinance.

On November 16, 2015, the City Council approved a resolution placing a six-month moratorium on the construction of new residences to halt the construction of purpose built short term rental houses that would exceed 3500 square feet in size. This moratorium will expire on May 16, 2016.

The Planning Commission determined that the best ordinance could only be enacted after the city processes the registration information and has an understanding of where the short term rentals are most prevalent in the city. This information will be used to review and revise the ordinance in the fall and be folded into the planned comprehensive citizen attitude survey results that will be conducted as part of the master plan update.

The key points in the draft recommendations include:

- **Registration:** Every rental registered; fee not to exceed administrative costs; high penalty for failure to register; registration card shall be placed in a window and shall include occupancy limit for the residence
- **Occupancy:** 2 persons per bedroom plus 2 additional persons per occupied floor or 16 occupants, whichever is less. Children 6 and under are not included.
- **Regulations and procedures to allow increased occupancy in certain zones where multi-family homes, condominium projects, inns and resorts are permitted.** Additional regulations include built-in fire suppression measures, supplementary setbacks, screening and isolation from other properties.

Mayor Burr spoke on the recommendations received from the Planning Commission and thanked them for their work. The City Council would like to make changes to the proposed recommendations, which involve amendments to the zoning ordinance and new sections in the City Code.

Scott G. Smith, the city's attorney, outlined the Mayor's proposed changes to the short-term rental ordinance received from the Planning Commission.

City Manager Brian Dissette gave an overview on the changes to height restrictions and parking requirements made since November.

Moved by Gruber, seconded by Arnold, to introduce an ordinance regulating short-term rentals and to set the matter for a public hearing to occur on April 18, 2016.

Voted Yes: All. Motion carried.

12. Interested Citizens in the Audience Will Be Heard on Items Not on the Agenda

Dr. Bob Hiddema, 212 Monroe Street, encouraged the Council to consider the health and safety of its citizens when making their decisions regarding the short-term rental ordinance.

City Attorney Scott G. Smith spoke again, illustrating the proposed changes to the ordinance at the request of an audience member.

Dorothy Appleyard, 806 Wilson Street, spoke to the Council about her concerns regarding the proposed short-term rental ordinance.

Steve Sweet, 507 Lagrange Street spoke to the Council regarding fire safety on rentals.

John Lohrstorfer, 712 Maple Street, agreed with the last two speakers and spoke for occupancy limit of 10 for rentals.

Tom Earley, 224 North Street, spoke to the Council regarding the rental ordinance and wondered when the proposed ordinance would go into effect.

Gail Patterson-Gladney, 914 Kalamazoo Street, encouraged the Council to lower the occupancy of short-term rentals to 10 or 8.

Connie Schaffer, 735 North Shore Drive, spoke against grandfathering large rentals.

Rosemary Fitzer, 24 ½ Grand Boulevard, asked about the appeal process that a homeowner could do to increase the occupancy.

Terri Webb, 508 North Shore Drive, spoke against increased regulation.

Maureen Moravec 1034 Midway Drive, spoke for grandfathering rentals and cautioned against a takings claim by a property owner who has lost value because of the regulation.

Jim Ryan, 369 Hubbard Street, asked the Council about parking requirements.

Jack Fitzer 24 ½ Grand Boulevard, asked about the basement bedrooms in the occupancy count.

Rosalie Plechaty, 559 Monroe Boulevard, advised the Council to listen to their constituents and limit the occupancy to 10.

Susan Ryan, 37 Cass Street, proposed to limit short-term rentals to 7 days and 8 people.

Bill Bradley, 746 Lee Street, commented on indiscriminate nature of fire.

Sally Newton, Shores Vacation Rentals 300 Kalamazoo Street, spoke against an occupancy limit to 8 or 10 and warned of the consequences on the economy if adopted.

Jan Roberts, 36 Apache Court, does not agree with rentals in R-1 areas and believes occupancy should be limited to 8 or 10.

Larry Girard, 223 North Shore Drive, wants to know more about fine schedule or enforcement of the proposed short-term rental ordinance.

Pat Gaston, 97 Superior, spoke for limiting occupancy for health and safety reasons.

Gerald Webb, 508 North Shore Drive, asked for the direction of a boardinghouse for a friend who needs to rent a room.

Joann Nordin, 1073 Monroe Boulevard, wants the city to preserve neighborhoods.

Susan Woodhull, 1000 Monroe Boulevard, does not believe the short-term rental ordinance preserves neighborhoods and proposed a hard occupancy cap of 8.

Kitty Gerard, 223 North Shore Drive, wants to know the vision for South Haven.

13. City Manager's Comments

A reminder, due to the compressed schedule, our next meeting is scheduled for April 18, 2016 at 7:00 p.m. The budget sessions are scheduled to occur on April 20th, 25th, and 27th.

14. Mayor and Councilperson's Comments

Klavins: Appreciates the commentary. Council is listening to the public. Planning Commission has worked very hard on this issue. Believes this is a really good start and wants to start getting data on rentals.

Smith: Is disappointed that we don't have data on rentals. This is a process and it must start somewhere. Light up the Night 5k is a great event for neighbors to come out.

Arnold: Thank you for your comments, we appreciate them. We have been receiving your letters and calls. He apologizes for the brevity of his responses.

Gruber: Thank you for the comments, calls, emails, and facebook messages. Planning Commission meets this Thursday for a site review of a commercial business.

Schlack: Please go to the city's website on Wednesday to see the proposal and thanked the Planning Commission for their efforts.

Kozlik Wall: Thanked Linda Anderson and Planning Commission for their work. We have to start somewhere. We have a great police force and if we have problems, call them. We are listening and we are gathering information.

Burr: Thanked the Planning Commission for their diligent work and all the comments received. Thanked the SHOUT organization for their donation of \$35,000 to help build a park adjacent to Black River Park. We already have grant of \$75,000 to build a fishing pier and stone wall. Encouraged other organizations to donate their favorite flowers and trees populate that area.

15. Adjourn

Moved by Kozlik Wall, seconded by Arnold, to adjourn the meeting.
Voted Yes: All. Motion carried. Meeting adjourned 8:36 p.m.

RESPECTFULLY SUBMITTED



Kate Hosier
Assistant City Manager

Approved by City Council: