

**PROCEEDINGS  
OF  
THE COMMITTEE OF THE WHOLE  
OF THE  
CITY OF LOWELL  
MONDAY, SEPTEMBER 18, 2017, 5:30 P.M.**

1. **CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.**

The Meeting was called to order at 5:30 p.m. by Mayor Mike DeVore and City Clerk Susan Ullery called roll.

Present: Councilmembers Greg Canfield, Marty Chambers, Jim Hodges, Jeff Phillips, and Mayor DeVore.

Absent: None.

Also Present: City Manager Mike Burns, City Clerk Susan Ullery, City Attorney Richard Wendt, and Williams and Works Planner Andy Moore.

2. **APPROVAL OF THE AGENDA**

IT WAS MOVED BY HODGES and seconded by CANFIELD to approve the agenda as written.

YES: Mayor DeVore, Councilmember Hodges, Councilmember Phillips, Councilmember Chambers, and Councilmember Canfield.

NO: None. ABSENT: None. MOTION CARRIED.

3. **CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.**

There were no comments.

4. **DISCUSSION REGARDING SHORT TERM RENTALS.**

City Manager Mike Burns explained there has been a complaint in reference to an Airbnb operating within the City of Lowell. Currently, there is no ordinance pertaining to short term rentals.

Williams and Works Planner Andy Moore spoke in reference to the issue. Owners living in single family residences in a neighborhood environment normally expect that the other homes in the area will be occupied by other long term residents with similar standards of housekeeping, behavior, and a general good-neighbor's concern for the other residents. On the other hand, within the limits of the law and local ordinances, a property owner is entitled to capitalize on the value of his home and land. Where there is a market for short-term rentals, the high earnings potential of the property can be enticing, especially in communities that tend to attract a number of tourists. With the increasing popularity of companies like Airbnb and VRBO, this is a significant issue in numerous communities throughout the region. Moore noted this is not a huge issue in Lowell at this time.

Moore explained the Planning Commission reviewed this prior and were hesitant to take on such a large undertaking for something that has not been an issue. However, moving forward there should be some degree of regulation. He outlined many different options available. Moore questioned how the Council would like the Planning Commission to address the issue.

Burns explained there is an issue with transient people coming in and out of the neighborhoods. There is also the issue of private property and personal property rights as well as considering how the property is being taxed. Federal law allows an owner to rent their principal residence for less than 15 days during a calendar year without declaring it as a rental property on their tax return.

Moore explained if the City were to allow such a use through a special land use permit, that permit would run with the property and would be allowed to continue unless such activity has not occurred for a period of one year, at which time the permit goes away.

City Attorney Dick Wendt clarified that if such a use is established now, it is not a nonconforming use because it not permitted now.

Wendt suggested the City allow short term rentals through a special land use permit. Moore noted this would also require the neighbors within 300' of the residence be notified.

Canfield believed there was a need for this in the City.

Moore stated the use could be permitted in certain districts only. Square footage of a home can also be considered.

Canfield favored the idea of allowing it through a special land use.

The issue will be brought back to the Planning Commission for further review.

##### 5. **BROWNFIELD REDEVELOPMENT AUTHORITY.**

The City has been approached by interested developers regarding the possibility of considering a Brownfield Redevelopment Authority (BRDA). The establishment of this district would be to allow reimbursement for abatement costs to contaminated, functionally obsolete, blighted or historic properties through tax increment financing (similar to the Downtown Development Authority). The advantage to this is, in addition to local tax capture, under state statute; school operating taxes can also be added to this capture. In addition, the Michigan Economic Development Corporation through the Michigan Strategic Fund can also approve the 6% State Education Tax from approved developments to be captured for Brownfield remediation.

The state statute currently allows the Downtown Development Authority to serve as the Brownfield Redevelopment Authority, which may be a good idea since this would not require the creation of another separate authority. Burns advised he would like to bring this before the Downtown Development Authority before taking action.

Attorney Dick Wendt explained the DDA captures tax increment revenue from the district and they can spend that money within the district. The City's DDA is limited to only capturing the City property tax, County property tax and the Kent County Library tax. This can be spent for a series of eligible projects, there is no state money that is involved. What happens in the DDA project, is an investment is made and it is paid for from the tax increments that is generated from the district.

Wendt went on to explain a Brownfield Field Authority can only capture taxes from a single piece of property and can only spend those taxes that are captured for the benefit of that single piece of property. In addition to capturing what the DDA can capture, it can capture the school tax, the Kent Intermediate School tax and the State Education tax. The costs that you can use to reimburse the developer are limited

and generally need to be for environmental or demolition costs. To qualify, the property needs to be either a facility or functionally obsolete.

Wendt advised, members of the DDA board can serve as members of the Brownfield Redevelopment Authority, but it has to be a separate authority. Wendt then explained the steps for establishing the Brownfield Redevelopment Authority.

Burns stated he would bring this to the DDA to see if they would like to serve on this authority.

6. **COUNCIL COMMENTS.**

There were no comments.

7. **ADJOURNMENT.**

IT WAS MOVED BY HODGES and seconded by PHILLIPS to adjourn at 6:31 p.m.

YES: 5. NO: None. ABSENT: None. MOTION CARRIED.

DATE:

APPROVED:

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Mike DeVore, Mayor

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Susan Ullery, City Clerk