

SPECIAL LAND USE REVIEW

Prepared for: Onekama Township Planning Commission

By: Suzanne M. Schulz, AICP

Date: May 22, 2017

DESCRIPTION

Project: Portage Point Inn and Ballfield

Applicant: Windfalls Landing, LLC (dba Portage Point Inn & Marina/Robert Gezon)

Address: 8567 S Portage Point Drive (Portage Point Inn and Marina), Parcel No. 51-11410-0540-00 *et.al.*, and Parcel No. 51-11-370-095-00 *et.al.* (Ballfield), Sections 28-29, T23N R16W, Onekama Township

Requesting: **Amendment to an existing Special Use Permit (SUP) approval¹**

Plans: Nordland & Associates (SP1.0 and SP2.0) dated June 2016, and Integrated Architecture dated February 27, 2016 (building elevations and floor plans)

Zoning: RR-3 Resort Residential 3

Requirements: Article 86 Special Use Permits

Overview:

- The applicant is proposing to renovate and make additions to the existing Portage Point Inn Hotel and Casino buildings, restaurant and bar, kitchen and laundry, pool and spa, and conference/wedding center. This includes the conversion of thirty-six (36) one-bedroom hotel units into “hotelminiums”.
- New construction is proposed at the Inn for a ~8,800 sq ft boat house, boat ramp with full service marina (to include fueling station and boat wash), an addition of 38 boat slips (to total 80 on-site), and 7 doll house cottages.
- New construction is proposed for a marina facility as an accessory use² to the Portage Point Inn & Marina to consist of a 50,100 sq ft facility for the purposes of boat storage and a re-manufacturing area that would have the capacity for 129 indoor parking spaces during summer peak; a 2,800 sq ft sales shop/parts/storage locker/shower wing; and 1,100 sq ft West Marine Franchise retail outlet. The site will include 109 outdoor parking spaces for automobiles and trailers. In addition, 6 doll house cottages are proposed.

EXISTING LAND USE

Exhibits 36 (PPI) and 20 (Ballfield) provide a location map, aerial photographs, overview map of parcels in ownership pertaining to the request, as well as site photographs.

Portage Point Inn

The property has been used as a resort since 1903. The Portage Point Inn (PPI) was constructed circa 1913, and was placed on the National Register of Historic Places in 1985. The property includes a “grand” hotel; dining and conference facilities; 33 condominiums in the Terrace, Pavilion and Beach Lodge buildings; 6 “doll house” cottages; 5 standard cottages; recreation building (“Casino”); 42 boat slips; and an accessory building.

Ballfield

This is a vacant lot that has served as an ancillary facility to the PPI for overflow parking. The lot is on a separate parcel, located approximately one-half mile away from PPI.

¹ Special Land Use (SUP) approval issued on May 15, 2014. Special Use Permit Application to amend submitted by Windfalls Landing LLC dated March 29, 2016.

² Article 5, Section 5.03. Definitions. “ACCESSORY USE means a use naturally or normally incidental and subordinate to, and devoted exclusively to, the main use of the land or building (premises).”

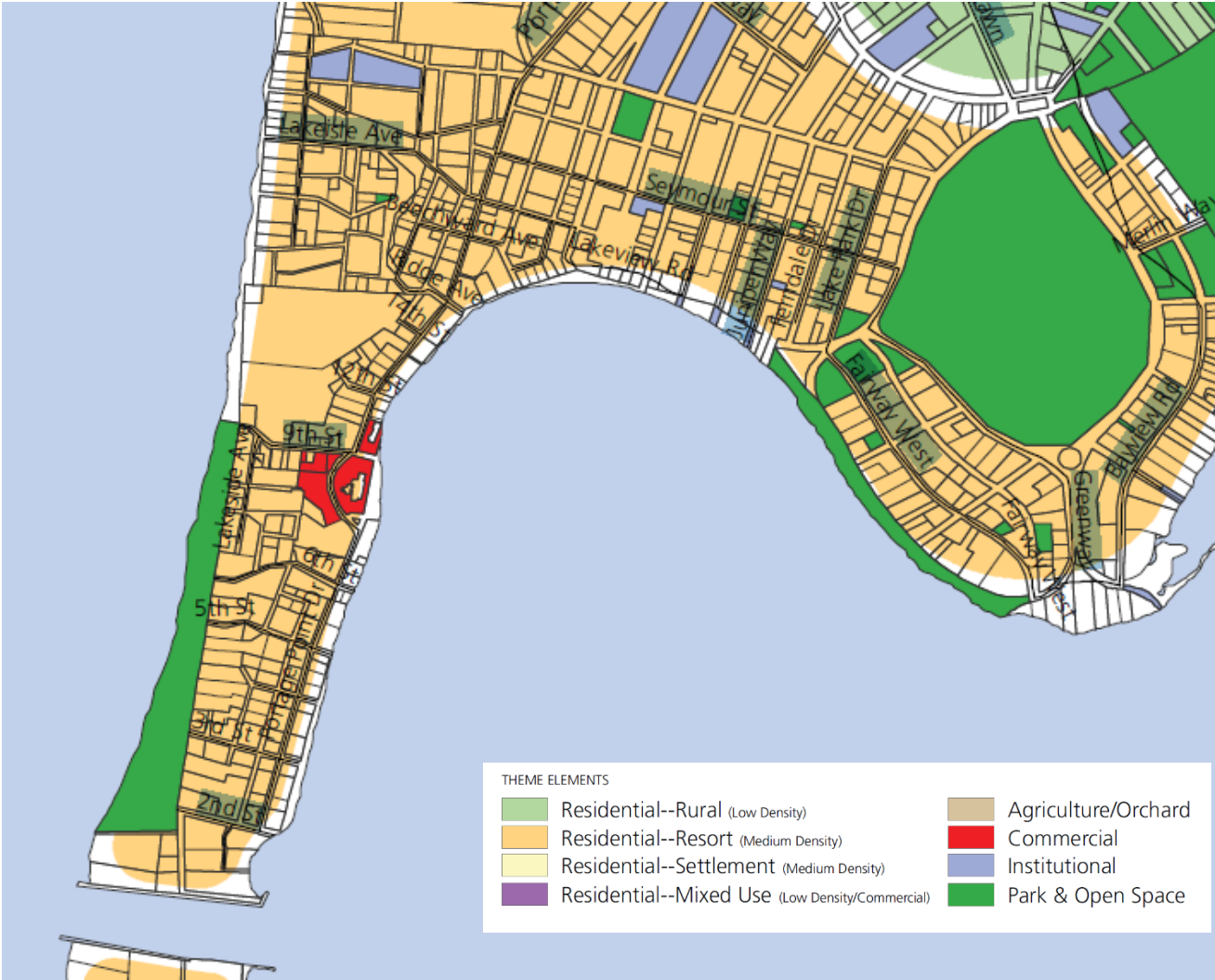
COMMUNITY PLANS

There are three plans for the Onekama community that are relevant to the Special Land Use request, the Onekama Community Master Plan (2010) (Ex 19), Portage Lake Watershed Forever Plan (2008), and the Portage Lake Community Five-Year Plan for Parks and Recreation (2014).

ONEKAMA COMMUNITY MASTER PLAN (2010)

Future Land Use Map

The Future Land Use Plan Map identifies the Portage Point Inn for Commercial Use and the Ballfield site as Residential – Resort. The Future Land Use Plan “builds on the historic development patterns of the community, factoring the unique environmental setting of the Onekama Community and its desire to protect its unique northern Michigan character along with the intrinsic value associated with Portage Lake.” (p. 78)



Portage Point Inn – Future Land Use: Commercial (p. 82)

“Development Intensity: Compact

The commercial land use is relegated along M-22 in the Village of Onekama with the exception of some limited commercial on the south side of Portage Lake...Businesses along Portage Lake should provide opportunities for lakefront pedestrian access.” Desired future development patterns include descriptions that are more consistent with the Village core (compact development with zero setbacks, minimize vehicular-dependent business within the core business district, mixed-use development on the north side of M-22, uniform streetscape).

Ballfield – Future Land Use: Residential – Resort (p. 80)

“Development Intensity: Moderate to Medium Density

This type of residential development is primarily located on lots with water frontage to Portage Lake or Lake Michigan...Properties in the Township are served by private well and septic systems, and due to their proximity to the water there is concern about defective septic systems and the need to control pesticides and fertilizers. Development should be curtailed within wetlands and flood-prone areas.” Desired future development patterns suggest expectations for a waterfront residential area (low-scale development limited to two stories in height, developments with multiple units should maximize views, minimal disturbance in riparian zones with buffers, no direct runoff from impervious surfaces to Portage Lake, connected residential areas).

2010 Master Plan Considerations

In the Master Plan’s *Prologue* the community of Onekama is described as a “Gateway Community to M-22 North” and lists a number of assets, the first of which is “Several inland lakes that have direct access to Lake Michigan – safe harbors and docking for boats of all sizes.” (vii) The Portage Point Inn is referenced as contributing to community context and character (p. 4).

The document clearly defines the seasonal nature of the area’s population and housing, including:

- The Onekama area doubles in size during the summer time months (~ 3,000 people); many residents in the Township are empty nesters that are nearing retirement or are already retired (p. 7).
- Approximately 51% of all housing units in the Township (are) being used as a seasonal home (p. 13).

Natural resources are clearly a focus, including woodlands and greenways; soils; topography and steep slopes; sand dunes; wetlands and floodplain; water features; other unique environmental features; and artesian-fed creeks, streams, and wells.

- The affected area of the PPI site is not within woodland, sand dune, steep slope, or floodplain areas. It is not identified on the “Sensitive Landscape” map (p. 26). The soils at PPI are Nordhouse Association (as identified on the Soil Association Groups Map p. 18); these are level to very steep, excessively drained, sandy soils on lake plains and dunes.
- The Ballfield property has a stand of trees along Portage Point Drive that is consistent for the area. Covert-Pipestone-Adrian Association soils are found here; these are moderately well drained, somewhat poorly drained, and very poorly drained, sandy and mucky soils that comprise many of the wetlands found around the perimeter of the lake. Indeed, the eastern-most portion of the site contains wetlands – as depicted on the “Sensitive Landscapes” map. A portion of the property may also be located in the floodplain (p. 28).
- Portage Point Inn is located as being within the *Shoreline Buffer (100 ft)*; and PPI as well as the southern portion of the Ballfield site are within the *Riparian Buffer 1,000ft*) areas as identified on “Watershed Priority Areas” map (p. 30).This work is associated with the Portage Lake Watershed Forever Plan.³

³ The Master Plan recommends: “Establish a riparian overlay district which contains site design criteria addressing the development within this management zone.” (p. 75) and “Define high quality water

- Resource Management Zones are identified in the Master Plan. These include areas for neighborhood formation, groundwater recharge, settlement expansion, riparian management, and steep slope management. The Resource Management Zone map (p. 85) shows the two properties under consideration as not being within the Groundwater Recharge Zone. The section on groundwater recharge states that “special attention should be given to areas that serve as principle water recharge areas for underlying aquifers and Portage Lake.” It goes on to list land uses that may desirable for regulation in the groundwater recharge zone, including gas stations and underground storage tanks for certain corrosive chemicals (p. 84). Instead, Portage Point Inn and the Ballfield site are contained within the Riparian Management Zone; the goal of which “is to protect and enhance the water quality of Portage Lake and Lake Michigan through the application of storm water collection and treatment techniques, building restrictions on non-regulated wetlands, and limitations on site clearance and site grading.” (p. 86)

Water access and recreational opportunities are identified as being important to the community. “Many local residents adjacent to Portage Lake utilize personal seasonal docks for launching their watercraft. However, residents residing off-the-water have expressed a need for the improved waterfront access areas...” (p. 41) Interest in a public marina and recognition that the lakes serve as a major draw for recreation were identified during public comment. As part of this acknowledgment, residents stated that they “would like to see a number of safeguards and aesthetic principles in place”. (p. 63)

Selected Future Expectations (p. 66) for the community include:

- Portage Lake Water Quality – Implement the Portage Lake Watershed Forever Plan.
- Managed (Smart) Growth – Use the natural features of the community and expansion of public utilities to direct development and encourage redevelopment.
- Preservation of Character – Words such as peaceful, clean, beautiful, scenic, small town, lake views, farmland, quiet, and relaxing were used to define the area’s character.

PORTAGE LAKE WATERSHED FOREVER PLAN (2008)

“The vision of the Portage Lake Watershed Forever Plan is that the Portage Lake watershed will be preserved *forever* by investing in protection and enhancement of natural and related cultural and historical resources in the watershed to provide economic benefit and to improve the quality of life for present and future residents and visitors.” (p. 1)

The intent of the Watershed Plan is “to guide and inform future monitoring, planning, management, and community and economic development efforts within the watershed.” (p. 1). There are five main goals identified within the plan, four of which could be considered pertinent to this development request in varying degrees⁴. Each goal is accompanied by a series of objectives; most of which do not apply to this discussion⁵. The goals and most relevant objective/s include:

- **Goal 1—Public Health:** Ensure that participants in water-based recreation are not exposed to pathogens or toxic chemicals, and are not consuming water, wild fish, or wildlife with contaminants in excess of advisories.⁶

recharge areas and protect these areas with appropriate zoning and site development regulations.” (p. 76) It is important to note that such an overlay and/or instructive regulations have not been created.

⁴ The fifth goal relates to “Local Management and Implementation Institutions”

⁵ All goals and objectives can be found in EXHIBIT 57: Goals and Objectives for the Portage Lake Watershed, pages 90-99

⁶ Many of the concerns in this Goal were based around the need for septic system reliability.

- **Objective 1.F.** Protect groundwater from contamination at known leaking underground storage tank (LUST) sites, Part 201⁷ sites, and other known sites of environmental contamination, and research potential and unreported environmental contamination sites.
- **Goal 2—Aquatic Ecosystem:** Protect the quality of water resources in the Portage Lake watershed, as well as other essential habitats, to maintain the integrity and functions of the aquatic ecosystem.
 - **Objective 2.A.** Monitor Portage Lake to assure that future loadings of nutrients, specifically phosphorus, do not exceed levels that would change the current **mesotrophic status of Portage Lake** capable of supporting coolwater and warmwater fisheries throughout the year, seasonal use by anadromous trout and salmon, and other existing, protected uses.
- **Goal 3—Water-Based Recreation:** Protect and enhance the quality of and access to water-based recreational opportunities within the Portage Lake watershed for people of all ages and abilities.
 - **Objective 3.A.2.** Support improvement of existing boating access and public marina facilities and acquisition of additional properties for boating and non-boating public access to Portage Lake.
 - **Objective 3.C.** Promote, maintain, and where practicable enhance accommodations for nonboating public recreational uses of Portage Lake, including such things as swimming, wading, lakeside walks, and wildlife viewing.
- **Goal 4—Natural Resource and Cultural Assets:** Invest in protection and enhancement of land-based natural resources and related cultural assets that provide recreational and educational benefits unique to the watershed and contribute to the quality of life and economic well-being of local residents while expanding the vacation experiences of visitors.
 - **Objective 4.B.** Preserve and enhance public understanding and appreciation of specific historical sites, structures, centennial farms, and historical artifacts that provide an opportunity for residents and visitors to better understand how the natural resources of the region attracted and supported Native American and early European (settlers).

Environmental Quality

The Watershed Plan is heavily devoted to water quality, of both Portage Lake as well as groundwater. The Portage Lake watershed is not a degraded watershed – “water quality standards are being met” (p. 74) Therefore, the Plan’s focus is to protect the existing high quality of the area’s water. “The most likely future threats to designated uses, as well as the sources/causes of these threats, are as follows:

- **Public health** threats from
 - pathogens coming from failed septic systems, uncontrolled runoff from farm-raised animals, household pets, and waterfowl; and
 - contaminated fish from air deposition of toxic, bioaccumulative heavy metals and persistent organic compounds; as well as potential, but undocumented, historical industrial releases contained in Portage Lake sediments.
- **Ecosystem health** threats from
 - increased phosphorus loadings due to septic tile field leachate, riparian lawn fertilization, storm water discharges, agricultural practices and resulting excessive plant and algal growth, and associated impairments due to eutrophication; and

⁷ The Portage Point Inn is a delisted Part 201 site. A delisted site has been removed from the Part 201 list because response actions have reduced the levels of contaminants to concentrations that meet or are below the criteria for unrestricted residential use. (pg 85)

- habitat degradation from wetland destruction, lakeside and streamside development, invasive species, and sedimentation from lake access areas, bridge crossings, and other land disturbance activities.
- **Recreational and fishing access** threats from
 - lack of maintenance dredging of the Portage Lake Channel and
 - lack of adequate and safe boat launching and docking facilities and public swimming and recreational areas due to the limited sites available and low water levels.
- **Groundwater contamination** threats from
 - unlawful existing and potential releases of contaminants from spills and
 - leaking underground storage tanks and improperly plugged domestic and industrial wells” (p 3)

A fuel station is part of the PPI request. Concerns related to underground storage tanks (UST) are expressed in the Plan, which states: “While existing regulations protect groundwater from permitted waste discharges, leaking underground storage tanks and other nonpoint discharges from land uses involving the storage, disposal, transportation, and use of hazardous materials threaten the groundwater resources in the watershed. Groundwater is virtually the only source of potable water in the watershed and it is a major contributor of cool, clean water to Portage Lake and tributary streams. Groundwater pollution is not only a threat to drinking water but to protected uses in surface waters.” (p. 83)

The Plan does go on to say that “pollution prevention education programs targeted to commercial and public facilities that store, handle, and use hazardous materials can be an effective means to protect groundwater.”(p. 86) Any activity is subject to MDEQ/MDNR review and approval.

Quality of Life

In creating the plan, a community survey was undertaken to understand how residents use the watershed and how they want it to look in order to help guide and prioritize protection and restoration efforts. Boating, fishing, and swimming/snorkeling/ scuba are the most frequent activities⁸, with most respondents unable to recall observing any conflicts between different types of lake users⁹. Of those who had seen a conflict, conflicts mostly involved jet skiers or other boaters interfering with fishing and swimming at peak use times. (p. 17) “One-third (33 percent) of respondents who report boating access Portage Lake by a dock, mooring, or launch from their own property; 31 percent from a Michigan Department of Natural Resources (MDNR) state public access site; and 23 percent from Village Park.” (p. 12)

The Plan’s goals and objectives are clear in the desire to support water-based recreation, including the addition of boating facilities and enhanced accommodations for non-boaters, as well as cultural assets for the benefit of the community and visitors.

⁸ It was found “activities that respondents *most frequently* engaged in were:

- Boating: 45 percent participate once a week or more often
- Swimming, snorkeling, or scuba diving: 42 percent participate once a week or more often
- Fishing: 37 percent participate once a week or more often” (p. 11)

⁹ “About two-thirds (67 percent) of respondents say that they have not seen conflicts between various users of Portage Lake. (Of those) respondents who have personally observed conflicts most frequently mentioned personal watercraft being involved (39 percent), even though personal watercraft represent just 6 percent of boating reported on Portage Lake by those surveyed. Half of those reporting conflicts (51 percent) say that the conflicts occur at peak times only (that is, holiday and summer weekends...Nearly half (47 percent) say that these conflicts are not very frequent.” (p. 12)

PORTAGE LAKE COMMUNITY FIVE-YEAR PLAN FOR PARKS AND RECREATION (2014)

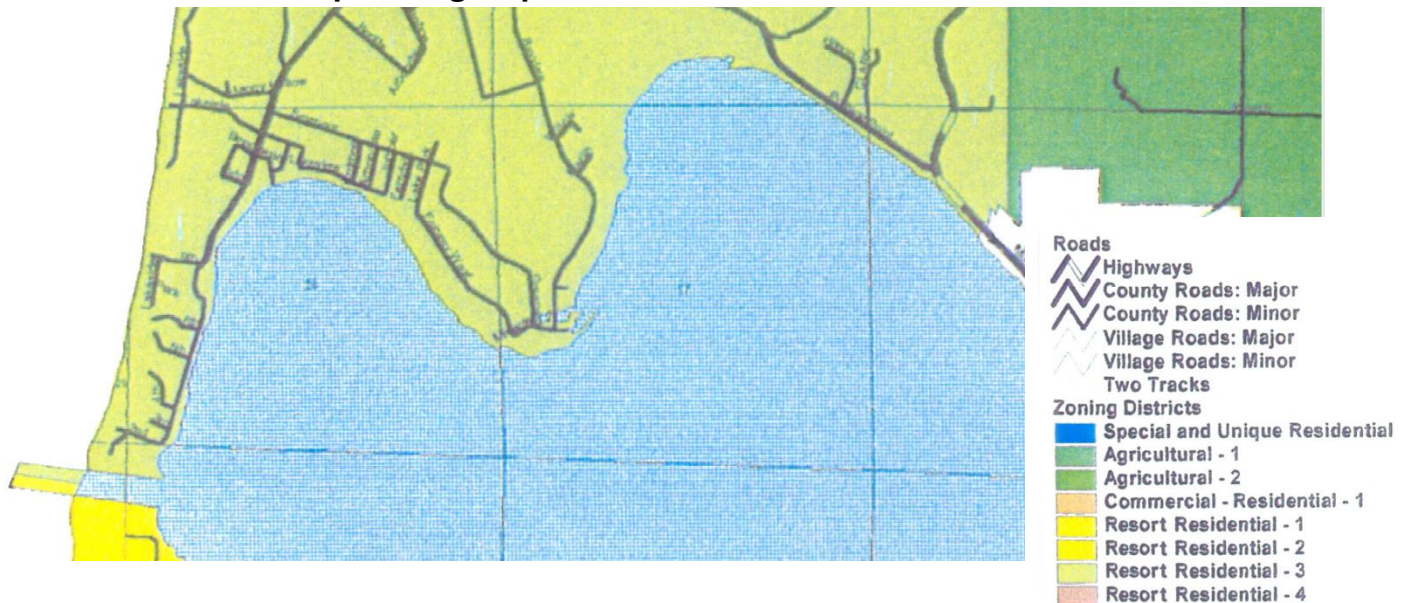
The Parks and Recreation Plan was a joint effort with the Village of Onekama, Onekama Township, and the Onekama Consolidated Schools. Related items of note in the Plan that may assist in addressing this land use request include the following narrative:

- “Most other areas are resort-residential, which reflects the strong use of Township lands for recreational purposes. Also, the commercial-residential area where a restaurant, two marinas, and a trailer and RV park exist, is involved with providing services for those people seeking recreation. Further commercial zone districts have not been established in the Township, as areas for additional commercial activity are provided within Onekama Village, where this activity is more appropriate because a sewer system exists.” (p. 10)
- Portage Point Inn is listed as providing both condominium and hotel accommodations, with dining, tennis, shuffleboard courts, and dockage available. (p. 41)
- “Goal #4: Improve and enhance Onekama Village and Township marine facilities to attract Great Lakes, resident, and seasonal recreational boaters and fishermen.” (p. 66) The objectives that are listed relate to dredging the channel and launch sites, establishing a self-supporting transient public marina on Portage Lake, and upgrading the Onekama Village Park boat launch.
- “Goal #8: Highlight, enhance, and preserve the historical resources of Onekama Village and Township.” (p. 77) The objective relates to the identification of, and education about, historic resources. The Plan states the area’s rich historical past “is an attraction that should not be overlooked” (p. 78).

EXISTING ZONING AND SURROUNDING LAND USES

Direction	Zoning	Surrounding Land Uses	
		Portage Point Inn	Ballfield/Boat Barn
North	RR 3	Residential	Residential
East	RR 3	Portage Lake	Wetlands
South	RR 3	Large dune/residential	Residential
West	RR 3	Large dune/residential	Residential

Onekama Township Zoning Map



The purpose and intent of the Resort Residential (RR-3) Zone District is: “to preserve the residential character and rural environment of properties near or along the north shore of Portage Lake and Lake Michigan by limiting residential units to three (3) per acre and requiring a minimum dwelling size, while at the same time, allowing certain special uses which are compatible with, and augment lakeshore or rural living.” (Article 42, Section 4201. Purpose). Both future land use categories of the Portage Point Inn and Ballfield sites, then, are consistent with the purpose and intent of the RR-3 zone district.

Special Land Uses (pertinent to this request)

4203.E. Waterfront resort complexes¹⁰

G. Accessory uses to the above

PRIOR LAND USE APPROVALS – PORTAGE POINT INN

The Portage Point Inn has been in use and occupied as a resort since 1903. The use and building precede Onekama Township zoning, which went into effect in 1980. The Township desired to formalize approval of the non-conforming use and listed hotels as a Special Land Use (SUP) in the RR-3 Zone District (Ex 2). In June 1995, an amendment to the ordinance allowed for a Waterfront Resort Complex (WRC). In March, 2016 the Township amended the definition of a WRC to allow for a full-service marina (Ex 23).

Approvals since 1980 have followed the SUP process. The following table summarizes these approvals. Items identified in grey were approved but not acted on, therefore, no property rights are granted to them¹¹. The proposed SUP request seeks to increase the capacity of the main hotel and other residential structures; and increase the size of the marina and convert it to a full-service facility.

The 1980 SUP approval of Portage Point Inn as a “Hotel” under the “new’ Zoning Ordinance provides the opportunity to document what uses were in existence at that time given that the intent of the SUP approval was to eliminate the non-conforming status of the property¹². Legal seating and sleeping capacities are identified in the table on the preceding page. The Special Use Permit under State of Conditions, Part 3 for “the operations and uses to which the land and buildings may be put shall be limited to the following:” lists hotel accommodations, employee living, restaurant operations, cocktail lounge operations, outdoor recreational activities, water sports, boat launching and storage for guests, accommodations for conventions and meetings off-season, office operations in Beech Lodge, storage for equipment and machinery, and “any use

¹⁰ Waterfront Resort Complex General Definition: A series of attached, semi-detached, or detached hotel rental units and/or condominiums having the following characteristics: not less than 10 contiguous acres of land; minimum of 900 linear feet of shoreline; designed and constructed in such a manner to maintain the character of the immediately surrounding area; contain recreational facilities for the use of its owners, residents, and guests (such as ball fields, tennis courts, swimming beaches, and game rooms); food and beverage service prepared and made available to the general public for consumption on-site; and under common control. A Marina shall be an accessory use of a Waterfront Resort Complex. (see *Article 5*)

¹¹ Article 86 Special Use Permits, Section 8610. Expiration of a Special Use Permit, Part B. “The special use permit shall expire, and be of no effect, three hundred and sixty-five (365) days after the date of issuance thereof, unless within such time work authorized under the said permit has started.”

¹² It is important to recognize that the “new” Special Use Permit of 1980 did not extinguish any underlying property rights that may be considered non-conforming to the Portage Point Inn (Article 80, Section 8011. Nonconforming Use Special Uses). Subsequent approvals, rescissions, and even financial difficulties of the property owner (including bankruptcy) do not necessarily extinguish these underlying rights if no stated attempt or action on the part of the property owner to abandon has been made. The Onekama Township Zoning Ordinance does not contain standards for abandonment of a non-conforming use on the part of a property owner other than time. Time alone, where there may be extenuating circumstances, is generally not enough to extinguish property rights.

clearly accessory or incidental to any of the above uses and operations which does not involve any departure from or change in the buildings or structures or the primary uses listed above and which is consistent with the present hotel operation.”¹³ (Ex 3)

PPI Special Use Approvals	Years ¹⁴				Proposed 2016
	1980 ¹⁵	1984	1995 ¹⁶	2014	
Seating Capacity (# people)					
Dining Room and Bar	250		300		413
Casino Lounge	150		150		100
Conference Center	--	As permitted by the Fire Marshall			
Sleeping Capacity (# people)					
	250		460		800
Rental Units (# of units)					
	--		115		76 condos
New Buildings					
Residential units/rooms	--	58 ¹⁷	29 ¹⁸	--	1
Boat House (sq ft)	--	--	--	--	8,800
Parking (# of spaces)					
	existing	154-174 (includes 40 at ballfield)			150 ¹⁹
Boat slips (# of slips)					
	--	42 ²⁰	42 ²¹	42	80 ²²
Full-Service Marina ²³					
	--	--	--	--	yes

Part 4 of the same approval states: “The services offered to the public shall be limited to the services reasonably incident(al) to the operations and uses listed in paragraph 3 above.” The intensity of the use is referenced several times as “no greater than presently existing.” (Ex 3) This, then, establishes the baseline of the uses that were found at the Portage Point Inn in 1980.

Subsequent approvals generally follow the recognized uses in the 1980 approval with greater definition provided over time. For example, cocktail lounge operations require that dancing and SDM sales of alcoholic beverages shall be limited to registered guests of the hotel in the 1984 SUP. A small shower building is also approved. The September 9, 1995 approval follows the 1980 and 1984 approvals and acknowledges the former approvals as the “Existing Special Use Permit”. (Ex 12, Definitions #4)

¹³ The 1995 approval contains a similar Condition J, including uses “which are consistent with the resort nature of the Premises...” (Ex 12, p 17)

¹⁴ Note: In May 2001, a 9-unit condominium structure was approved along with a boardwalk

¹⁵ SUP approval was as a “Hotel” in the 1980 Zoning Ordinance and described established uses (Ex 3)

¹⁶ The 1995 SUP approval prompted a citizen referendum. The zoning was affirmed in the election.

¹⁷ Accommodation building (not constructed).

¹⁸ Accommodation building (29 units or fewer) to become Pavilion Condos and 5 single family sites

¹⁹ See Portage Point Inn Parking Calculations pg 3 of Site Plan Review comments. Calculations reflect 344 required spaces, 150 listed in the applicant’s calculations, and 133 usable spaces shown per plans. The Ballfield/Boat Barn property is proposed to have a total of 261 parking spaces; the combination of the two parking areas (PPI and Ballfield) satisfies Township parking requirements.

²⁰ Boat slips “operated and maintained only in connection with and incidental to the hotel operations...” Full service marina operations (repairs/maintenance of watercraft, launching or storage, sell/maintain boat accessories, sell/offer gasoline and diesel fuel, provide pump-out facilities) and overnight use prohibited. The slips were not constructed. Ex 4 and 38. In 2009, a pump-out facility was approved by the Health Dept.

²¹ Final approval of 42 slips was granted; 10 slips were approved under a June 1995 DEQ permit, then in 2003 an additional 32-slip basin to the south part of the property was granted and constructed. Preliminary approval was granted for 115 boat slips from the Township, subject to MDEQ approval (not granted).

²² 75 of the slips will be located in two large basins with 5 slips to the north for non-motorized vessels. The majority of the slips shall be assigned to owners of the residential units, with 7-8 transient slips

²³ Marina activities include repair and maintenance of boats, launching, storage, sale of boat accessories, gas and diesel fuel dock, and pump-out facilities. The marina will comply with Clean Marina standards.

Of particular note, it is within the 1995 approval that the terminology for the “Hotel” changes to “Waterfront Resort Complex” and that PPI shall be considered as a “Planned Unit Development” which allows for greater flexibility with dimensional requirements; use requirements remain within the RR-3 zone designation. The benefit of the PUD assignment is that “Applications for planned unit development are essentially Special Use Permit applications which request a waiver of basic dimensional restrictions...any basic restriction relating to minimum lot size, minimum usable floor area, maximum height or setbacks may be modified in Section 8804.” (*Article 88, Section 8803. Procedure*). The PUD status is not mentioned in the 2014 resolution. *Section 8804. Basic Restrictions and Modification Procedure, Part B.5.* does allow for reduced setbacks in identified environmentally sensitive areas²⁴.

Special Use Permit approvals have consistently taken into account the potential environmental impact that septic system usage could have on water quality. The 1984 SUP approval identified the need for a “unified septic system at the hotel site and/or unified separate septic system at ballfield area and/or connection to Village of Onekama sewer system.” (Ex 4, p 8) Subsequent approvals use the language: “The Developer shall provide to the Planning Commission information concerning the unified septic system or hook-up to the Village of Onekama sewer system...” (Ex 4, p 14 (1984); Ex 12, p 14 (1995); Ex 21, Conditions (2014)) Other than evidence found in permissions granted for a 2009 Pump-Out Facility to be placed in a holding tank, no other evidence is found in the materials provided to suggest that capacity improvements in the form of a unified septic system has been undertaken. There are currently discussions regarding the creation of a Sewer Authority to extend service around Portage Lake, however, this infrastructure is currently not in place and there is not a timeline for implementation.

PRIOR LAND USE APPROVALS – BALLFIELD SITE

The Ballfield property is the site of a proposed Boat Barn. The site is unimproved, with no marked parking areas or structures. Repeated Township approvals have considered this parcel to be ancillary to functions of the Portage Point Inn and have included permissions through the SUP process. Mention of the Ballfield property is not included in the 1980 SUP for the hotel. It is, however, found in the 1984 permit under “Definitions: 3. ‘Premises’ means all real property covered by this Special Use Permit, including the area commonly known as the “ballfield”...except where the context clearly indicates otherwise.” The 1995 and 2014 definitions of “Premises” are “the real property... together with the noncontiguous area commonly known as the “ballfield”.

The proposed SUP request seeks to allow increased indoor and outdoor parking for cars and trailers, a large storage facility to service the marina, and activities to include marine sales, service and storage, and full service marine operations and amenities - including the sale of fuel. In 1984 and 1995, a maintenance building of unknown size was granted permission to relocate to the ballfield area²⁵ along with an overflow parking lot with a maximum of 40 spaces. A Special Use

²⁴ *Section 8804. Part B.5.* reads: “No structures shall be erected within an identified environmentally sensitive area (sand dunes, beach, water bodies, wetlands, flood plain, high risk erosion area, water setback areas, high risk erosion set back, and slopes over 25 percent) unless specifically identified by the Commission as necessary to protect the environmentally sensitive area or to enhance the environmentally sensitive area for passive recreation value.” There is also a greenbelt requirement, the necessity for which shall be determined by the Commission; if deemed necessary it “shall be at least ten (10) feet in width and landscaped and maintained with at least one (1) canopy tree, two (2) understory trees, and three (3) shrubs for each one hundred (100) linear feet of greenbelt.” *Section 8804. Part B.4.*

²⁵ Condition #5 of the Approval reads: “The relocated maintenance building shall be placed in the extreme Northwest corner of the ballfield in accordance with the drawings and plans, subject to all required setback distances from roads and adjoining property and subject to health department and/or DNR approval.” #7D reads: “Landscaping at the ballfield parking area, in the form of a natural greenbelt, shall

Permit application was granted on September 21, 2000 for the construction of a 3,000 square-foot storage building with a 600 square-foot lean-to in the southeast corner of the ballfield to have access off of Seymour Street using the platted Third Street, within the wetland area.²⁶ The existing maintenance building was proposed to remain at PPI. (Ex 13) No maintenance buildings have been constructed.

Ballfield Special Use Approvals	1980	1984	1995	2000	2014	2016 - Proposed
Parking (# of spaces)						
Outdoors	--	40 ²⁷	40	--	40	109
Indoors	--	--	--	--	--	129
Accessory Uses (sq ft)						
Maintenance/Storage Building	--	yes ²⁸		3,000 ²⁹	3,000 ³⁰	50,100
Repair Shop/Parts	--	--	--	--	--	2,800
West Marine Retail	--	--	--	--	--	1,100
Doll House Cottages	--	--	--	--	--	6

In 1984 and 1995, a maintenance building of unknown size was granted permission to relocate to the ballfield area³¹ along with an overflow parking lot with a maximum of 40 spaces. A Special Use Permit application was granted on September 21, 2000 for the construction of a 3,000 square-foot storage building with a 600 square-foot lean-to in the southeast corner of the ballfield to have access off of Seymour Street using the platted Third Street, within the wetland area.³² The existing maintenance building was proposed to remain at PPI. (Ex 13) No maintenance buildings have been constructed.

be provided in such a fashion as to create a visual barrier between the parking area and Portage Point Drive and Seymour Drive.” (Ex 4, pp 11 and 12)

²⁶ Conditions of approval included MDEQ Land & Water Management Division authorization to fill in a wetland area (#2) and that “natural vegetation shall remain on the south and west sides of the building to provide a green barrier to shield the building as much as possible” (#5). (Ex 13)

²⁷ “40 spaces (maximum) at the ballfield” is a consistent condition in the 1984, 1995, and 2014 approvals

²⁸ There is no mention of the size of the maintenance building contained within the resolution or presented on a site plan for the 1984 and 1995 SUP. Language does reference that the building would replace the existing maintenance building at PPI, which is 1,200 square feet.

²⁹ Approval to construct a new, 40’ by 75’ storage building with an 8’ by 75’ lean-to on the north side of the building, to be located in the southeast corner of the ball field.

³⁰ Contained on the approved 2014 site plan is the following language: “Future boat storage unit in ballfields during off season. This will not impact ballfield parking during the summer months.” (Ex 37)

³¹ Condition #5 of the Approval reads: “The relocated maintenance building shall be placed in the extreme Northwest corner of the ballfield in accordance with the drawings and plans, subject to all required setback distances from roads and adjoining property and subject to health department and/or DNR approval.” #7D reads: “Landscaping at the ballfield parking area, in the form of a natural greenbelt, shall be provided in such a fashion as to create a visual barrier between the parking area and Portage Point Drive and Seymour Drive.” (Ex 4, pp 11 and 12)

³² Conditions of approval included MDEQ Land & Water Management Division authorization to fill in a wetland area (#2) and that “natural vegetation shall remain on the south and west sides of the building to provide a green barrier to shield the building as much as possible” (#5). (Ex 13)

CONSIDERATIONS FOR PORTAGE POINT INN

Hotel and Residential Use

- The applicant desires to amend the approved Special Land Use from a hotel to residential use with a hotel component and to expand sleeping capacity on the site.
- There are currently thirty-six (36) one-bedroom hotel units and forty-nine (49) additional units in the form of existing condos and cottages, for a total of eighty-five (85) units and one-hundred twenty (120) bedrooms. The applicant would like to create seventy-six (76) units with one-hundred thirty-six (136) bedrooms.
- The proposed project seeks to change the nature of a typical hotel use to “Hotel Condominiums” or “Hotelminium” which has units that are separately owned and then leased similar to a hotel when not in use by the owner. This change is not inconsistent with the trend of development on the property, which has seen a gradually change from a standard resort with rooms for rent to condominium conversion.
- The increased total sleeping capacity would increase from 460 persons to 800 persons, to include residents, guests, tenants, staff, students, and boaters; including persons sleeping aboard boats moored overnight in slips.
- Prior approvals include consideration as a Planned Unit Development.

Restaurant, Bar, and Banquet/Conference Center

- The application reflects an increase in occupancy for assembly purposes.
- Existing assembly uses include a restaurant and bar for approximately 300 patrons. Prior approvals have been granted to allow an occupancy of up to 150 people in the Casino/Recreation building. Use of banquet/conference facilities was “as determined by the Fire Marshall”.
- Plans indicate seating for 343 patrons in the restaurant, bar, and banquet/conference area to include the area identified for patio dining; and 50 seats in the Casino building. Occupancy may be determined to be higher by the Fire Marshall. Fire pit/outdoor lounge seating is not included in calculations.
- A chapel with wedding operations is also proposed as well as entertainment uses.
- The applicant has not provided information concerning outdoor activities, including hours of operation for outdoor seating, types of entertainment, and noise control. The DRAFT Special Use Permit conditions “the use of amplified sound equipment used for any purpose after 12 midnight is prohibited. Exceptions for intermittent special events may be authorized by the Planning Commission. All such requests shall be filed a minimum of 30 days prior to the scheduled event. ALL activities are subject to Onekama Township Anti-Noise & Public Nuisance Ordinance 2005-2, except as noted above.”³³ Daily occurrences and special events should be considered separately.

Education Facilities

- A culinary institute is proposed to include staff and student accommodations on the premises.

Retail, Service, and Office Uses

- An ice cream shop, gift shop, office space, and ancillary hotel services such as a pool, spa, and fitness room were previously approved for the property. Package alcohol sales for beer and wine (SDM license) included in approvals for hotel patrons.
- The applicant desires to provide similarly scaled uses for a coffee shop/ice cream/pastries, office, and rental and gift shop.

³³ Draft Special Use Permit Restated and Amended, dated August 4, 2016, page 10

- More intensive commercial uses are proposed as well, including: a convenience store in the Casino Building for the payment of fuel, supplies, and beer/ wine; fitness operations; day spa; and a service building identified as the “Boat House” to include bathrooms, showers, laundry, office, and lounge for the use of Marina patrons.

Marina

- A Marina use is allowed as an accessory use of a Waterfront Resort Complex. Prior to March 2016 the sale of fuel, storage of fuel, fuel docks, repairs, storage and launching of water craft and the sale of marine stores were not allowed.
- The Special Use request includes the sale of fuel, storage of fuel, fuel docks, and boat launch at Portage Point Inn; as well as a Boat House described in the above section.
- In 2009 a Marina Pump-Out System utilizing a wastewater holding tank was approved by the Planning Commission using a Memorandum of Agreement after determining that it was a “non-substantive change to the existing special use permit and is a service allowable under the definition of a water front resort complex as defined in the Onekama Township Zoning Ordinance”. Stating that: “the installation of this system is one way in which the health and safety of citizens in the community and the quality of our lake can be protected”. Health Department approval was granted. (Ex 18)
- The 1984 SUP approval lists “Boat docking for guests and transient local patrons of the bar and restaurant” as a permitted use; both the 1995 and 2014 SUP approvals simply list “Boat docking” in the list of approved uses.
- Overnight occupancy on boats is requested, prior approvals did not allow overnight stays.
- There are currently 42 boat slips, 80 slips are requested (19 Broadside or Monte Carlo style, and 5 non-motorized). It is proposed that slips will be owned by condominium owners and that 7-8 slips shall be reserved for transient use, including visitors to the restaurant/bar and a water taxi.
- A separate report has been prepared by Edgewater Resources.
- The design of the boat slip area/marina avoids entry across the frontages of adjacent parcels and isolates swimmers and non-motorized vessels from boat traffic.
- The applicant intends on participating in the Michigan Clean Marina Program, which has defined guidelines and regular inspections.
- Per testimony, the boat launch would only be for submersible trailers (not available for pickups, trailers, or fishing boats)³⁴ or that the boat launch will be for seasonal and emergency launches.³⁵ The DRAFT Special Use Permit approval addresses this.³⁶
- The DRAFT Special Use Permit approval allows the Marina to “service guests of the hotel, transient boaters, sales and service operations, and others, including the fueling of watercraft related to a Waterfront Resort Complex, but not for commercial activities.”³⁷ This allows service to the general public.
- The DRAFT Special Use Permit approval authorizes one (1) charter fishing company to operate with the Portage Point Inn Marina as a mooring and base of operations, subject to certain performance conditions.³⁸
- Previous conditions of approval include:
 - “All dock lighting (except navigational lighting) shall be directed downward so that it does not shine on adjacent properties.” (Ex 4, p 9) (SUP DRAFT Condition #3)
 - “There shall be no docking along the exterior perimeter of the docks. All access to boat slips shall be planned so that entry into the slips by boats can reasonably be made without passing into areas which lie outside the extended North and South boundaries of the

³⁴ July 7, 2016 Onekama Township Planning Commission meeting minutes, page 4
³⁵ July 21, 2016 Onekama Township Planning Commission meeting minutes, page 2
³⁶ Draft Special Use Permit Restated and Amended, dated August 4, 2016, page 5
³⁷ Draft Special Use Permit Restated and Amended, dated August 4, 2016, page 9
³⁸ Draft Special Use Permit Restated and Amended, dated August 4, 2016, page 5

premises...Use of the boat slips shall be limited to recreational watercraft." (Ex 4, p 10) (SUP DRAFT Condition #3, excepting underlined text)

- "If the hotel ceases operations, the boat slips shall not be used and in no event shall the boat slips be operated as a separate commercial entity independent of the hotel." (Ex 4, p 22) (Not included in DRAFT)
- "Except for arrivals or departures or unless an emergency situation exists, Developer shall require that between the hours of 11:00 o'clock p.m. and 7:00 o'clock a.m., quiet is observed on the marina docks and that activity on and about the docks and watercraft be kept to a minimum." (Ex 4, p 9) (SUP DRAFT Condition #5)

Parking and Traffic

- Detailed parking calculations are provided under Site Plan Review; along with commentary related to site layout and sidewalks.
- Total parking requirement for the Portage Point Inn is 344 spaces. There are 133 usable parking spaces identified on the submitted plans, and an additional 238 spaces proposed at the Ballfield/Boat Barn property for a total of 371 spaces.
- Parking and traffic impacts will be highly seasonal in nature. The Onekama Township Master Plan identifies that 51% of all housing units are seasonal homes and that the Township population doubles during summer.
- A separate traffic analysis was conducted by Progressive A/E.
- The SUP DRAFT does not reflect updated parking numbers (Condition #8).

Environment

- The Zoning Ordinance does not contain regulations specific to sensitive environmental features; including wetlands, sensitive soils, woodlands, buffers, and steep slopes.
- The affected area of the PPI site is not within woodland, sand dune, steep slope, or floodplain areas. It is not identified on the "Sensitive Landscape" map in the Onekama Township Master Plan³⁹.
- The subject property is located as being within the *Shoreline Buffer (100 ft)* and the *Riparian Buffer 1,000ft*) areas as identified on "Watershed Priority Areas" map in the Onekama Township Master Plan.
- Portage Point Inn is within the Riparian Management Zone; the goal of which "is to protect and enhance the water quality of Portage Lake and Lake Michigan through the application of storm water collection and treatment techniques, building restrictions on non-regulated wetlands, and limitations on site clearance and site grading." (pg 86 of the Master Plan)
- The Portage Lake Watershed Forever Council passed a resolution on August 26, 2013 which supports the plan to resort the Portage Point Inn. The resolution reads, in part: "The Portage Lake Watershed Council supports a plan to restore Portage Point Inn as a vital destination in the area if best practices and adherence to watershed plan goals and objectives are followed in the development, ensuring that Portage Lake waters are protected and managed for generations to come."⁴⁰

Cultural Resource

- The Portage Point Inn is federally recognized on the National Register of Historic Places. This is point of pride for the community and is mentioned in the Onekama Community Master Plan (2010) and the Portage Lake Community Five-Year Plan for Parks and Recreation (2014).
- Goal 4: Natural Resource and Cultural Assets of the Portage Lake Watershed Forever Plan (2008) states: "Invest in protection and enhancement of land-based natural resources and

³⁹ The Township Zoning Administrator's memo (Ex 24) mentions that PPI "appears to be partially located within Flood Zone B designation"

⁴⁰ Public testimony by Mary Reed, Portage Lake Watershed Council Chair, during the July 7, 2016 Planning Commission public hearing

related cultural assets that provide recreational and educational benefits unique to the watershed and contribute to the quality of life and economic well-being of local residents while expanding the vacation experiences of visitors.”

- Objective 4.B. of the Watershed Plan states: “Preserve and enhance public understanding and appreciation of specific historical sites, structures, centennial farms, and historical artifacts that provide an opportunity for residents and visitors to better understand how the natural resources of the region attracted and supported Native American and early European (settlers).”
- Over the past two decades the Onekama Township Planning Commission and Township Board have reviewed requests and modified ordinances to facilitate the preservation and development of the Portage Point Inn in the hopes that the site would garner private investment and become economically sustainable.

CONSIDERATIONS FOR THE BALLFIELD PROPERTY

Boat Barn

- The term “sales” is not defined. Boat parts and supplies are listed, however, it may be possible that boat sales are possible given the general use of the term provided.
- The DRAFT Special Use Permit approval allows the Marina to “service guests of the hotel, transient boaters, sales and service operations, and others, including the fueling of watercraft related to a Waterfront Resort Complex, but not for commercial activities.”⁴¹ This allows service to the general public.
- The DRAFT Special Use Permit requires that the Boat Barn meet the approval of the Planning Commission “for design, appearance and landscaping. Landscaping at the ballfield parking area (which encompasses the Boat Barn) is required to be in the form of natural greenbelt provided and maintained in such a fashion as to the extent practical to create a visual barrier between the Boat Barn, and Portage Point Drive and Seymour Drive. In addition, all machinery, equipment, docks and other items of personal property stored on the Premises other than in the Boat Barn shall be stored in the least obtrusive manner possible and, if appropriate, shall be obscured by a visual barrier.” (Condition #10)

⁴¹ Draft Special Use Permit Restated and Amended, dated August 4, 2016, page 9