

## REGULAR MEETING OF THE OWOSSO PLANNING COMMISSION

January 26, 2009

Meeting was called to order at 7:00 p.m. by Vice-Chairman Wascher.

The Pledge of Allegiance was recited by all in attendance.

Roll Call was taken by Recording Secretary Marty Stinson.

**MEMBERS PRESENT:** Bruff, Fitch, Harvey, Kemp, Livingston, Usher, and Wascher.

**MEMBERS ABSENT:** Butcher and Fox

**AGENDA APPROVAL:** Motion by Commissioner Harvey, supported by Commissioner Fitch to approve the agenda.

AYES: All, Motion Carried

NAYS: None

### **MINUTES:**

Motion by Commissioner Bruff, supported by Commissioner Fitch to approved the minutes of the regular meeting of October 27, 2008

AYES: All, Motion Carried

NAYS: None

### **COMMISSIONER / CITIZEN COMMENTS:**

Vice-chairman Wascher introduced the new member of the Planning Commission, Mr. Shea Usher.

Richard Crutts, 1643 Lynn Street, stated that he has rented properties for over 40 years. He has a problem with the issue and the fees. He just retired from sales because the auto industry is down. He thinks it's the wrong time for this. He pays more in taxes and in water and sewer. Can't see why we need this at this time.

Mr. Richard Bowen, 217 Curwood Castle Drive, owns rental properties and doesn't have a problem with the inspections, but he has a problem with the fees. This is the wrong time to do this with the economy. Some rent fees haven't been raised in ten years. Some tenants are on fixed incomes. More money is going out.

Mike Cline, 411 N. Chipman, Councilmember, said at the last meeting that he thought the fees were too high and that the Planning Commission needs to discuss the fees tonight.

Norm Pugh, 3030 E. Copas Road, discussed the fee structure. If 37% of the living units in Owosso are rentals according to a newspaper article, then with the suggested fee schedule comes to about \$84,000 a year. With expenses estimated at \$25,000 per year, Mr. Pugh questions what will be done with the extra \$59,000 per year. Mr. Pugh suggests that the plan be rejected until the city manager can explain what will be done with that extra money. He recommends the planning commission reject the program.

**PUBLIC HEARING:** NONE REQUESTED

**SITE PLAN REVIEW:** NONE REQUESTED

**ITEMS OF BUSINESS:** NONE REQUESTED

**ITEM OF DISCUSSION:** Rental Registration

John Archer, Building Official, presented a draft of the ordinance by the City Manager. It starts with the present ordinance which had a stay put on it about 11 years ago. Do we amend it multiple times or do we

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write a new ordinance? Do we make recommendations to the council for a public hearing at the Planning Commission meeting should the Council have a public hearing?

In response to Mr. Pugh comments, Mr. Archer stated that through the BS&A Assessing, we can pull off the computer how many properties are not occupied by homeowners. They may not be necessarily rented, but that can be the start of the list.

Commissioner Harvey commented that we are getting the cart before the horse. Facts that were stated in the newspaper were not discussed by this commission. We were looking for a tool for John to use regarding the owner of the buildings. She understands the Council recommended it back to the Planning Commission. Believes that the discussion should be done in stages so that John can identify the owners. The draft is asking for certain things to be met. She thinks the draft is more in depth than it needs to be. She recommends we omit fees at this time because it would be hardship for landlords.

Mr. Archer stated that we don't supply the International Property Maintenance Code to the landlord and the tenants. We use it as a guidebook and it applies to all buildings including owner occupied and commercials, not just rentals.

Commissioner Bruff stated that he's not sure when the right time would be. The landlords have made money for the last 12 years without inspections. This is just a registration plan. This is months down the road just for the registration. He is a real estate agent. He has to pay annual dues of \$500 and pays for advertising whether anything sells. Using Bryan Fitch, a contractor, as an example, he has to pay his license fees whether he's making money or not. Bryan has eight rental units so that would be \$150 registration fee for one year. Mr. Bruff doesn't think that's too much for a business for a year.

Commissioner Fitch said he has four buildings and he comes up with \$180.

Mr. Archer stated this is the time to discuss the equitable way to handle it.

Commissioner Bruff stated that he's heard two interpretations on employees' pay. We need to be careful about how we talk about how the city pays its employees. We should all be in agreement that there is a cost.

Commissioner Kemp stated there are unforeseen costs. Standards have to be followed. People are buying foreclosed homes now. If they have to comply and fix up homes; this is the wrong time for this program.

Mr. Archer said that he or someone else could be doing the inspections. They would be written up that the work would have to be done by a licensed inspector. There could be additional fees for mechanical, plumbing or electrical inspectors.

Commissioner Bruff stated that we should be working on the registration process and the fees right now. We still need public hearings and discussions down the line. This will take months and months.

Commissioner Harvey stated we are to discuss registration only at this point.

Commissioner Fitch stated if you register, his units are on one parcel, that's one tax roll number. It should be simple.

Commissioner Harvey questioned Section 8-153 which refers to any rental dwelling unit.

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Mr. Archer stated "multi-family" includes all apartment buildings. One thing council did regarding section 8-156 was to amend this section to read (upon receipt of a "written" complaint). Marty and I are used as tools in frivolous complaints in our office. He would suggest the word "written" be included unless the Planning Commission decides otherwise.

Commissioner Kemp asked can Council adopt without a public hearing.

Commissioner Bruff stated that we could have two public hearings.

Commissioner Usher asked why we are requiring registration. He suggested that registration occur one time only when property is purchased.

Mr. Archer stated that we would be able to look up the owner and see if we have someone locally (an agent) to contact for an emergency repair. A yearly registration would keep things up to date.

Commissioner Bruff likes the idea of registration at the point of sale. If you sell, you should be required to notify the city.

Mr. Archer commented that we're seeing a lot of foreclosures. Sometimes we have several months between foreclosure and the time the paperwork catches up with us.

Commissioner Kemp asked under what authority do we clean up without knowing the owner.

Mr. Archer replied that we have the authority to do certain repairs or to shovel snow or cut grass on the exterior through our junk and trash ordinance. Our ordinance allows certain time frames for notices and letters. If we had phone numbers, we could call the landlord to get a quicker response.

Commissioner Livingston stated he was hearing that people are not against the program, just against the fee.

Commissioner Bruff needs a clear definition of the building, land mass with fees.

Mr. Archer is trying to provide a tool for the landlords also. Real Check members have a damage assessment sheet. Our inspections can be a tool for the landlord also.

Commissioner Harvey stated the proposal was submitted to us. The top portion with the lines through it is to be eliminated?

Mr. Archer stated yes.

Commissioner Bruff: It wasn't appropriate anymore.

Mr. Archer: It was created in the early 1970's. The make-up of the city has changed. The BS&A computer program would have a separate file for each separate address. Bryan's suggestion (list the landlord and then each property owned under landlord's name) for one file. This would not work.

Commissioner Fitch stated he could stop in every year and let them know that nothing has changed from last year.

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Mr. Archer stated that each apartment would have to be registered as an individual unit. Otherwise if you had one violation at an eight unit, you wouldn't want all eight units showing the same violation.

Commissioner Harvey: Do we need this much language for registration?

Commissioner Kemp says he is most bothered with the annual renewal and then have a penalty if you forget to renew. He would like to see that language adjusted.

Commissioner Usher stated that \$30 per building – he struggles with that. He also struggles with where this money is going every year. Where does this money go? Where is it spent?

Mr. Archer stated that he can't answer that. The Finance Director would have to answer. When it comes to the building permit fees, they cannot be used to supplement the general fund. The concept would be to put the funds in the department where the expenses are to be used, but that's just my opinion.

Commissioner Bruff stated if it's just a one time registration fee while you own it, say 10 years. Look at all the years you haven't had to pay. He doesn't accept the argument that landlords in business can't pay the fees. He doesn't think we're talking astronomical amounts.

Commissioner Livingston stated this is a big point – once per owner versus once per year.

Commissioner Fitch asked how do we make this a smooth transition. All of a sudden we'll need extra people to take registrations.

Commissioner Bruff stated there will be 180 days to register.

Commissioner Fitch stated regarding renewals – They'll all come in the same day.

Commissioner Bruff said it won't be profitable. Let's talk about a realistic thing. What's a building, what's a unit?

Commissioner Harvey asked Vice-Chairman Washer, are we going to do this word by word?

Vice Chairman Wascher said you already have an owner when they transfer property, you already have a fine. He doesn't think the yearly renewal is necessary except as a smaller fee.

Mr. Archer stated we're taking a survey of 10,000 to 20,000 population size cities (15 of them) that will be presented at the next council meeting.

Vice-Chairman Wascher asked about a dormitory?

Mr. Archer replied they are exempt.

Motion by Commissioner Livingston, supported by Commissioner Harvey, there should be a one time registration fee unless there is an ownership change; a penalty for failure to register; no annual renewal

unless ownership changes; define the rental unit as “single”; and Section 8-156 (2) should have the word “written” added: Upon receipt of a written complaint...

Commissioner Fitch asked a written complaint for what? Not registering?

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Commissioner Livingston said, no – for violations.

Mr. Archer stated he already works on violations with no fee. We can investigate, but cannot do an inspection of the interior of the unit. We try to have the landlord with him during the inspection. It was asked if he used the whole section. Section C allows for the building official to make a fee to the complainant if it's not a valid complaint.

Motion by Commissioner Bruff to end discussion. No second. Motion died from lack of support.

Vote was called for on previous motion.

AYES: Harvey, Livingston, Wascher, Kemp, Usher, Bruff. Motion Carried  
NAYS: Fitch

Commissioner Livingston didn't see the use of billing for extra units.

Commissioner Bruff clarified with discussion on individual unit fee.

Vice Chairman asked if that was based on actual costs?

Mr. Archer stated it takes into account office space, equipment, lights, heat, and employees which are all part of the equation.

Brent Morgan, Community Development Director and Assistant City Manager, stated the fee is for the building and for each unit. This is generally accepted by other communities.

Commissioner Harvey – the economy is bad. We need a reasonable fee and then re-evaluate in the future. We are trying to restore the community. She liked the idea “per landlord” and then renew later.

Motion by Commissioner Kemp, supported by Commissioner Harvey to charge \$25 to register the property owner one time for all their units and charge \$10 per unit (one time fee).

AYES: Harvey, Livingston, Wascher, Kemp, Usher, Bruff. Motion Carried  
NAYS: Fitch

**COMMISSIONER / CITIZEN COMMENTS:**

John Archer reported that ADS will probably have a site plan for review next month.

Commissioner Harvey asked why Mr. Kilpatrick hadn't started anything on the South Street property.

Mr. Archer replied that he has one year to start his construction. He is no doubt waiting for better weather.

**ADJOURNMENT:**

Motion by Commissioner Bruff, supported by Commissioner Fitch to adjourn at 9:00 p.m.

AYES: All, Motion Carried  
NAYS: None

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Marty Stinson, Recording Secretary