

HOLLAND CHARTER TOWNSHIP PLANNING COMMISSION  
Regular Meeting  
November 13, 2018

The meeting was called to order by Chairman Marion Hoeve at 7:00 p.m.

Present: Chairman Marion Hoeve, Vice-Chairman/Secretary Jack Vander Meulen, Members Ken Bosma, Dennis Gebben, Randy Kortering, and Norm Nykamp. Also, present were Community Development Director John Said, Assistant Community Development Director Corey Broersma and Recording Secretary Sheri Thomassen.

Absent: Member Ed Zylstra

Motion to approve the minutes from regular meeting of October 2, 2018, was made by Mr. Bosma and supported by Mr. Gebben. All in favor. Motion carried.

Chairman Hoeve explained the Public Hearing process to the audience.

Chairman Hoeve opened the Public Hearing for consideration of a Zoning Map Amendment submitted by Eric Visser on behalf of purchaser Mission Design & Automation, LLC for Vacant Land on Black River Court (parcel # 70-16-36-200-030).

Kevin Miller, Controller with Mission Design & Automation and on behalf of Eric Visser, was present to speak to the request. They are seeking rezoning from Highway Commercial (C-3) to Light Industrial (I-1) following recent approval and revision to the Future Land Use map.

Chairman Hoeve explained the Zoning Map Amendment process to the audience.

Audience comments - none.

Motion to close the public hearing made by Mr. Nykamp and supported by Mr. Kortering. All in favor. Motion carried.

Zoning Amendment Criteria (Section 21.4) and Staff Comments:

Whether or not the proposed rezoning is consistent with the goals, policies and future land use map of the Comprehensive Plan; or, if conditions have changed significantly since the Comprehensive Plan was adopted, whether the map change would be consistent with recent development trends in the area.

*The applicant has already completed an amendment to the Comprehensive Plan to change this parcel to the Light Industrial designation. Conditions in the area have resulted in an expansion of the business presence, with commercial uses expanding closer to the Adams Street/I-196 interchange, and a small cluster of more industrially-oriented uses at the Black River Court/96th Ave. intersection.*

Whether the proposed district and the uses allowed are compatible with the physical, geological, hydrological and other environmental features of the site.

*The Black River and corresponding floodplain areas are located along the south edge of the site. These will need to be accounted for with any development that takes place in this area.*

The potential uses allowed in the proposed zoning district shall also be compatible with surrounding uses in terms of land suitability, impacts on the community, density, potential influence on property values, and traffic impacts.

*The potential uses for the subject site would be reasonably compatible with existing and proposed uses to the north and east.*

Whether, if rezoned, the site is capable of accommodating the uses allowed, considering existing or planned infrastructure including streets, sanitary sewers, storm sewer, water, sidewalks, and street lighting.

*Existing infrastructure should include adequate capacity for any proposed uses on this site. Depending on the applicant's schedule for development, the Township may request a non-motorized path easement along Black River Court in order to coincide with the Comprehensive Plan or Comprehensive Plan updates.*

Other factors deemed appropriate by the Planning Commission or Township Board.

*The Planning Commission (and eventually the Township Board) may identify any other factors to consider as part of the review process for this site, and include any specific conditions / recommendations as part of this request.*

Motion to recommend to the Township Board that the proposed Zoning Map Amendment (rezoning) to L-I (Light Industrial) from C-3 (Highway Commercial) be approved based on the responses to the five Zoning Map Amendment criteria as recorded in the minutes made by Mr. Bosma and supported by Mr. Gebben. 5 in favor; 1 opposed (Vander Meulen). Motion carried.

Chairman Hoeve opened the Public Hearing for consideration of a Zoning Map Amendment submitted by Laurie Hekman on behalf of Riley Holdings, LLC for portion of 11540 Riley Street, described more specifically as 70-16-15-200-031. Applicant is seeking to change from Agricultural (AG) to Low-Density Residential (R-1).

Aaron Viles (3161 Peach Leaf Ct.), building contractor and real estate agent representing Laurie Hekman, was present to speak to this request. Clarification from Staff - The applicant plans to complete a land division process if the rezoning for the requested portion of the lot is approved. The land remaining outside of the requested rezoning limits is to be transferred as exempt attachments to the applicant's lot located between 11540 and 11450 Riley Street and addressed as 11500 Riley Street.

Questions and comments from the Commissioners followed:

Will there be a problem since the legal description was for the entire parcel(s)? No, per Staff. The Planning Commission can approve rezoning of a smaller area, not larger. Motion may include specifics provided. Mr. Viles handed out a plan done by Holland Engineering for further clarification.

Is there one owner for all 3 parcels? Yes, per Mr. Viles, there is one owner, Ms. Laurie Hekman d/b/a Riley Holdings LLC.

What is an exempt attachment? An assessing term; basically, it's a lot line adjustment deeded from one party to another, per Staff.

Will the driveways on the east side of both properties not be used for homes anymore? Will there be one driveway in and out, not several? Mr. Viles replied that there will only be one driveway.

Roy Alofs (112th/Riley) asked how many extra houses will be built on the property? None are being proposed as part of this petition, per Chairman Hoeve; they can't because there a one (1) dwelling limit per lot. They could build additional homes on the lot within the AG District but another rezoning and land divisions would be necessary. Staff added that the only reason the rezoning is taking place is so that the lots can be made smaller and homes (currently rentals) can either be managed or sold some time in the future allowing the owner to retain as much property as they would like.

Motion to close the public hearing made by Mr. Bosma and supported by Mr. Nykamp. All in favor. Motion carried.

Zoning Amendment Criteria (Section 21.4) and Staff Comments:

Whether or not the proposed rezoning is consistent with the goals, policies and future land use map of the Comprehensive Plan; or, if conditions have changed significantly since the Comprehensive Plan was adopted, whether the map change would be consistent with recent development trends in the area.

*The proposed rezoning requests are consistent with the Future Land Use Plan Map, which designates these subject properties for Low-Density Residential.*

Whether the proposed district and the uses allowed are compatible with the physical, geological, hydrological and other environmental features of the site.

*There does not appear to be any conflicts between the proposed residential zoning and the physical features of the site.*

The potential uses allowed in the proposed zoning district shall also be compatible with surrounding uses in terms of land suitability, impacts on the community, density, potential influence on property values, and traffic impacts.

*Single family residential uses would be compatible with adjacent and nearby uses and zoning districts to the west, north, and northeast of the subject parcels.*

Whether, if rezoned, the site is capable of accommodating the uses allowed, considering existing or planned infrastructure including streets, sanitary sewers, storm sewer, water, sidewalks, and street lighting.

*Existing infrastructure should have adequate capacity for the existing and any potential future uses on these sites.*

Other factors deemed appropriate by the Planning Commission or Township Board.

*The Planning Commission (and eventually the Township Board) may identify any other factors to consider as part of the review process for this site, and include any specific conditions / recommendations as part of this request.*

Motion to recommend to the Township Board of Trustees that the proposed Zoning Map Amendment (rezoning) to R-1 (Low Density Residential) from AG (Agricultural) for the portion of the lot requested be approved based on the responses to the five Zoning Map Amendment criteria as recorded in the minutes made by Mr. Gebben and supported by Mr. Nykamp. All in favor. Motion carried.

Chairman Hoeve opened the Public Hearing for consideration of a Zoning Map Amendment submitted by Laurie Hekman on behalf of Riley Holdings, LLC for portion of 11450 Riley Street, described more specifically as parcel 70-16-15-200-033. Applicant is seeking to change from Agricultural (AG) to Low-Density Residential (R-1). See above public hearing (11540 Riley Street) for discussion, Zoning Map Amendment criteria, and comments.

Motion to close the public hearing made by Mr. Gebben and supported by Mr. Kortering. All in favor. Motion carried.

The Planning Commission acknowledged the zoning amendment criteria reviewed for the applicant's previous request (11540 Riley Street) also apply to this request.

Motion to recommend to the Township Board of Trustees that the proposed Zoning Map Amendment (rezoning) to R-1 (Low Density Residential) from AG (Agricultural) for the portion of the lot requested be approved based on the responses to the five Zoning Map Amendment criteria as recorded in the minutes made by Mr. Nykamp and supported by Mr. Bosma. All in favor. Motion carried.

Public Comment - none.

Other Business

2019 Planning Commission meeting schedule and submittal dates were reviewed. Motion to approve calendar with changes made to April and July dates made by Mr. Nykamp and supported by Mr. Bosma. All in favor. Motion carried.

John Brown, Senior Vice President of Inland National Development Corp (2901 Butterfield Rd, Oakbrook IL), representing David Howat on behalf of Inland National Development Company, LLC was present for a pre-application review of a TRU Hotel by Hilton on vacant land east of Home2 Suites on West Shore Drive (parcel # 70-16-16-100-130). Mr. Brown indicated that he has studied Holland's hotel market for more than 3 years and that they are finishing Home2 Suites hotel at this time. The TRU Hotel by Hilton brand is more affordable with limited service – a comfortable bed, wi-fi, free breakfast, no pool. It is a targeted Hilton brand for the overnight business traveler and dollar-conscious millennial.

Questions and comments from the Commissioners followed:

Mr. Bosma asked, in Mr. Brown's opinion, what are the top 4 reasons to visit this area? Tulip Time, Seasonal travel/resort destination, Hope College, and growth in business.

Mr. Brown referred to the Staff Report, information provided in the letter from TR Mandigo & Co. dated October 4, 2018, and data from the Smith Travel Research (STR) report provided earlier. The Star Report is the preeminent data source recognized by the hotel industry, and he believes this market justifies another hotel and that the Report supports the demand. He added that traditionally when a new hotel is opened (like the Courtyard by Marriot in 2016), you actually see a little dip, however there has been no dip, only a steady rise. Mr. Brown was not aware of the new hotel going up in Zeeland near 196/Byron Road and was not included in the study. He also shared that he couldn't book a local hotel for tonight (closest one was in Benton Harbor) and that last weekend he looked at the Star Report, and the marketplace was sold out, most likely due to college and hockey.

What occupancy rate is needed for a hotel to break even? Mr. Brown responded that 56% occupancy gets you out of the red and into the black, industry hums along at 63% occupancy on a national level, 60% in this market because of the higher rate.

Mr. Brown addressed Staff's concern regarding VRBO and Airbnb – they're a national phenomenon and are not regulated or included in the study. They recognize the growth of these two options across the country but still haven't seen a dip in the hotel market.

Regarding Staff's comment of other hotels becoming marginalized, he responded that a hotel is generally designed to last 25 years unless you invest significant capital. It needs to be kept up.

Mr. Vander Meulen has a hard time with 3 hotels being built right now, plus 2 others sizeable hotels in the area being built at over 100 rooms a piece. Do we need #6? From Zeeland to downtown Holland, he wonders what happens to some of the marginable hotels - do they become a weekly rental, and is that what's really best for the community? Seems like too much, too fast right now.

Mr. Brown added that the Hampton has made significant capital improvement to both satisfy standards of the Hilton brand and to compete with the Courtyard. They are driven to improvements when others come in.

Mr. Gebben asked for clarification in reference to the TR Mandigo letter dated October 4, 2018 in which they state, "We also expect that the new development activity will drive additional upscale activity in the market and may support some more aggressive pricing strategies among the existing mature mid-scale market properties." Mr. Brown responded that new strategies will change the seasonal and pass-through market to a 12-month a year market due to area business growth which will drive additional upscale activities. Mr. Brown was asked to speak to the demand and replied that the STAR Report looks at historical trends (up 3.8% over last year and still on the rise) and does not project into the future. National market analysis firm, PKF is the forecaster, and Mr. Brown said that they also saw continued growth into 2021 with no impediment - a national trend, not a local forecast, however.

Staff shared background and framework of this agenda item as "other business". The applicant hopes to get a read on where the Planning Commission stands at a concept level. Staff respectfully requests Planning Commission input on this matter. The Staff Report follows:

While the applicant has submitted a hotel market study, Staff has significant concerns regarding the existing and near-future market for another hotel in the area. This is directly related to two Standards of Approval for Special Uses:

- Sec. 15.3.A.6.: It will not create excessive additional requirements at public cost for infrastructure and will not be detrimental to the economic welfare of the community.
- Sec. 15.3.A.10.: There is a need for the proposed use within the Township.

In response to the applicant's market study, and to address the two Standards noted above, Staff offers the following information for Planning Commission consideration:

*The number of hotels noted in the study is inaccurate; per the Holland Visitors Bureau's 2018 Area Visitors Guide, there are currently 20 hotels and three "other lodging" facilities, while the study notes only 16.*

*There are also 3 hotels now under construction in the Township alone, as well as a number of short-term rental facilities, including Airbnb, VRBO, etc. These are not included in the Study.*

*Information from the Holland Visitors Bureau indicates that there are currently approximately 1640 hotel rooms in the region, with an estimated additional 700 rooms in 'short-term rentals' such as Airbnb, VRBO, etc. for a total of 2,340 units. The study provides an undercount of rooms by stating 1,590 units and not considering short-term rentals.*

*The study does not recognize the three additional hotels now under construction in the Township alone, which will total approximately 320 rooms. This increases the hotel room supply by about 20%, with no corresponding increase in foreseeable demand.*

*The study does not include accurate market information. Data provided by the Holland Visitors Bureau indicates that overall hotel occupancy in the area is no higher in this region than state and national averages, and in fact fell by 4% from 2016 to 2017.*

*The study's off-season increase argument is inaccurate; occupancy has decreased in some months and increased in others.*

*Current market demand appears to be stable, with no current or anticipated new "attractors" to the market, such as major new tourist or business destinations.*

*The increase in hotel room supply, without a corresponding increase in demand, has already resulted in some hotel properties becoming very "marginal", with a lack of maintenance and other concerns, as noted in the attached article concerning one such property in the region.*

*Increased competition can also result in some hotel properties becoming different types of uses, such as single-room occupancy hotels or unapproved storage facilities. This would detract from all surrounding properties.*

Staff recommends that no further Special Use requests for hotels be approved until the market has adjusted to the three new hotels that are now under construction, based on the Standards for Special Use noted above.

Staff added that Airbnb and VRBO are definitely part of the marketplace even though they're not part of the study. Based on information from the Holland Visitors and Tourism Bureau, there are 700 additional rooms available via the short-term rental market. Staff also has concern with additional hotels coming in at this time, over 300 rooms, also not part of the study. These factors result in significant uncertainty as to demand keeping up with supply, and the likelihood of increased vacancies in the foreseeable future with the resulting negative impacts to the community.

Conflicting reports show occupancy rates increased from 2017-2018, however Visitors Bureau reported that rates fell from 2016 to 2017, and even with the 2018 increase, the occupancy rates are still not up to what they were two years ago. Commissioners and Staff are not aware of any new attractors to this market; the new Civic Center may draw more, along with some business expansion. Staff also referenced a recent Sentinel article that highlighted existing hotels and questioned their ability to maintain customer base.

Mr. Gebben suggested that a forecast of demand over the next 5-10 years would be helpful. Mr. Brown responded that the Report shows demand based on history coupled with macro level forecasting done by hotel experts like PKF.

Township Staff met with the Visitors Bureau to gather information/unbiased facts. The Visitors Bureau is not taking an official position on this request, and their Board hasn't met recently, however, their consultant is aware of the number of new hotels coming into the market and indicated to Township Staff that the market should be allowed to stabilize before additional hotels are constructed.

Even though Mr. Brown said no rooms were available for the evening, Staff found rooms in 14 hotels in the area from \$67-\$200 available via a quick check of typical travel websites (Travelocity, etc.).

Mr. Kortering asked what other type of business could go in that location? Mr. Nykamp added that the parcel is better suited for a hotel than apartments. Mr. Vander Meulen responded that with the number of hotels being built and others ready to start, we should wait and see what this area can support.

Lisa (461 Mayflower), General Manager of Home2 Suites Holland commented that a lot of the non-chain hotels in the area don't have anybody watching them. You know what you're going to get when check into a Hilton. She continued with an example of Hope College NCAA Division III - they love to come into Holland but took 40 rooms in the Grand Rapids area due to unavailability in Holland. Tulip Time does the same thing. Charter busses are also filtering out to Grandville and Grand Rapids due to availability and cost. Tulip Time tourists want a nice place to sleep, no pool, no bar. TRU Hotel by Hilton would provide that. She turns so many people away and is confident she will be able to fill the rooms - and rates may come down because of it.

Staff added that Tulip Time is only 1-2 weeks per year. Mr. Gebben added that there's nothing specific to the Holland market in Applicant's report and that they seem to be relying a lot on national trends. He agrees that we need stabilization before adding another hotel and suggested addressing missing data for projections to remove any mystery and move forward with some confidence.

Chairman Hoeve suggested that the Commissioners could make a better call within the next year, depending on stabilization. Mr. Kortering suggested looking at current data with the additional 300 rooms.

Mr. Brown asked if other hotels may have experienced multiple missteps since there seems to be little if any construction happening over the past several months. Staff suggested Mr. Brown contact them directly, as the construction schedules are within the control of the hotels, not the Township. Work has not stopped according to Staff's knowledge.

#### Blain's Farm & Fleet - Revised Site Plan

Justin Longstreth, Moore & Bruggink, was present to inform the Commissioners that the owner on Quincy had a change of heart regarding their drive aligning with Blain's. A revised site plan was presented which included the removal of one (1) drive from Quincy Street and a new alignment for the West Shore Drive extension which changed the primary entry drive location and reconfigured the parking lot.

Mr. Longstreth added that the site is virtually flat, and there is no concern with elevation or line of sight related to the new curve in the West Shore Drive alignment. He added that the greenspace along Quincy, north of the parking lot, will be for future parking, expansion, or maintained as greenspace.

Staff asked Commissioners to consider the revised site plan. All agreed the revised plan changes were acceptable and felt that having the West Shore Drive intersection located further to the east was a positive change.

Mr. Vander Meulen asked about looking at marijuana ordinances. Staff is already working with the Township attorney to provide the Planning Commission and Board of Trustees with draft ordinances for consideration.

The next meeting will be held on December 4, 2018. Election of Officers will be on the agenda.

The meeting was adjourned at 8:25 PM.

Respectfully submitted,

Sheri Thomassen  
Recording Secretary