

MINUTES
MARSHALL CITY PLANNING COMMISSION
WEDNESDAY, March 7, 2012

In a regular session, Wednesday, March 7, 2012 at 7:00 p.m. at City Hall, Council Chambers, 323 W. Michigan Ave., Marshall, MI the Marshall Planning Commission was called to order by Commission Chair Collins.

ROLL CALL

Members Present: Chair Collins and Commissioners Revore, Burke Smith, Oates, Banfield, Davis, Fleming and Council Liaison Mankerian

Members Absent: Commissioner Mengel (excused)

Staff Present: Natalie Huestis, Director of Community Services

MINUTES

MOTION by Davis, supported by Banfield, to accept the minutes from the February 8, 2012 regular meeting, February 8, 2012 work session and February 22, 2012 work session with the following changes:

- February 8th work session:
 - First page, fourth paragraph, second sentence, add the word “on” before the buffers and remove the word “canopy”.
- February 22nd work session:
 - First page, first paragraph, third sentence, replace the word would with “will”, change needed to “need”, replace the word determine with “to adjust”, replace for with “within” and change hospital to “applicant”.
 - Correct the word “Sigh” and make it “Sign” in the second heading.
 - First page, second paragraph, fifth sentence, add “*submission of a proposed*” before site plan.
 - First page, second paragraph, eighth sentence, replace the words hospital with “applicant”, having with “including” and site plan with “*proposed site plan and or receiving a special use permit*”.
 - Second page, third paragraph from the bottom, second sentence, replace the word residential with “four”.

On a voice vote; **MOTION CARRIED.**

AGENDA

MOTION by Oates, supported by Burke Smith, to accept the agenda for March 7, 2012 regular meeting. On a voice vote; **MOTION CARRIED.**

PRESENTATIONS

Carl Fedders, Director of Public Services, discussed the Parks and Recreation Master Plan 2012 – 2017 with commissioners. He stated that the city had utilized Survey Monkey and input from community boards to gather information to determine the parks and recreation needs for the

(official)

community. Mr. Fedders went through six goals the city would like to address over the next five years. The goals are to: 1) Maintain and enhance existing locations and facilities; 2) Engage the growing majority of older adults through improved activities and facilities that connect with the interest of this demographic group; 3) Improve and invest in non-motorized infrastructure to link city parks and open spaces, attract tourism, and coordinate with county, state and national initiatives; 4) Continue the trend of park improvements lead by citizen groups; 5) Insure proper spacing of parks and open spaces throughout community and facilities to encourage use; 6) Utilize survey results in recreation program development. He stated that copies of the plan can be found at Marshall Library, City Hall, Public Service Building and on the city's web site.

Commissioners commented on how important community parks are to the future of the City and thanked Mr. Fedders for his presentation.

AUDIENCE PARTICIPATION

Chair Collins invited the public to speak on agenda items and reminded them that the Planning Commission is not required to hold a Public Hearing; rather the night's events will hold a public comment session. The Public Hearing will be held at the City Council level at a later date.

Mark Stuart, owner of 119, 121 & 123 W. Michigan, stated that he is a DDA Board member. He said that back in September of 2011, the DDA was asked to review the HCOD development agreement, overlay ordinance and sign ordinance presented by the HNC committee. Mr. Stuart stated he is disappointed that the HNC did not respond to the DDA's comments and questions. He questioned the process and the power of the HNC Committee to develop such an agreement.

Bruce Smith, 315 West Brook Court, stated that the Planning Commission review is the second step in a three step process. He thanked commissioners for their hard work and believes that the HCO District is the best way to move forward with hospital expansion. Mr. Smith also stated that he looks forward to seeing the recommendation and hopes that this process will lead into possible future plans of a Historic Preservation Ordinance.

Joanne Dickey, 223 N. Marshall, believes the four properties on High Street currently proposed to be within the overlay, are important to the Historic District and would like to see them remain out of the overlay.

Joanne Foster, 219 High Street, read from the book "Marshall: A Plan for Preservation" published by the Historical Society in 1973. She is concerned that the overlay changes could harm Marshall and would like commissioners to think about Marshall's future before making any decisions.

Glenda Jackson, 16053 15 Mile Road, is also co-owner of 311 E. Mansion Street where her husband has his accounting business. Mrs. Jackson stated that six years ago she made comments to the City Council about the expansion of the hospital. At that time she was told that the hospital would not build outside of their district. Now the hospital is again asking for more ways to expand. She also stated that she is concerned with the safety of pedestrians and the amount of traffic caused by construction. She also stated that road closures and more development could affect home values.

Rob Covert, CEO Oaklawn Hospital, gave a review as to why the Hospital and Neighborhood committee was formed and the process that took place before this meeting. Mr. Covert's statement is attached.

Brian Munger, 120 S. Grand, stated that he is not in favor of the HCO District and believes the hospital should expand on property they already own outside the city limits. Mr. Munger asked the commissioners not to listen to the hospital's hired consultants and hope they do not recommend the overlay to City Council.

Sharon Thomas-Boyd, 214 W. Hamilton Lane, Battle Creek, Chief of Support and Ancillary Services, at Oaklawn Hospital, said this overlay process included a master planning process for the hospital. She stated that 25% of the hospital's services are already off site and that the hospital always builds off-site if feasible but because of certain regulations, some services need to be kept in close proximity to each other.

Tim McCaleb, 410 E. Prospect, suggested that the commissioners along with the community read Charles Dobbins' recent letter regarding the HCO District (letter attached). He suggested the commissioners visit Hindsdale and research the hospital layout.

Holly Harnden 401 E. Mansion, stated she was a member of the HNC Committee and looked forward to working together to find a solution between the hospital and neighborhood. Mrs. Harnden stated that during the HNC process she believed the hospital had not compromised on anything. She quoted from the Preservation Magazine. Mrs. Harden's letter is attached.

Wayne Booton, 509 North Drive East, stated that he believes Oaklawn Hospital's expansion issues should be voted on by the citizens of Marshall. He stated that the DDA, Marshall Historical Society, HNC Committee and hospital should all work together to find a solution.

Jennifer Rupp, 519 N. Mansion, stated she has lived in her home for 11 years and she can hear the construction traffic and is concerned that the pedestrian safety in the neighborhood will suffer with the extra traffic of the proposed overlay district. Mrs. Rupp stated that she was a member of the HNC Committee and when she resigned, she offered to give her information to another member to replace her, only the Mayor never replaced her on the committee.

John Merucci, 115 E. Prospect, said he and his family have lived there for 8 years and his address is within 300 feet of the overlay district. He stated his family moved to Marshall for the community and not because of the hospital. He said his view out his back window is now of parking lots and the back of the downtown stores. Mr. Merucci is opposed to the overlay district and believes that planning commissioners should feel the same. He believes it is now time for the hospital to make sacrifices, just like the neighborhoods have made. He wants commissioners to listen to the citizens of Marshall and vote "no" on the overlay district.

Cheryl Begg, 225 N. Grand St., stated that she thinks the hospital is important to Marshall but so is tourism. She is concerned about the preservation of historic homes and hopes her home will not be affected by the overlay. She would like commissioners to vote "no" on the overlay district.

Ginger Williams, 606 Ventura Way, stated that a lot of emotion has been involved in the process of the HNC Committee and now a recommendation rests with the Planning Commissioners. She thanked the commissioners for all their hard work and their professional approach.

End of audience participation.

PUBLIC HEARINGS

None

OLD BUSINESS

Planning Commission recommendation to Mayor on proposed Hospital Campus Overlay District (HCO District).

Commissioners discussed Commissioner Banfield's proposed changes to the HCO District and attached maps he brought to the meeting.

MOTION by Banfield, supported by Oates, to direct staff to deliver documents to the Mayor indicating suggested changes to the draft, edges of the proposed district and changes to the Sign Ordinance as developed through a consensus of opinion by the Planning Commissioners.

Commissioner's Revore and Davis questioned the documents Banfield supplied. Davis suggested that the recommendation letter to the Mayor state how each individual commissioner votes on each topic. Further discussion took place regarding the presentation of Banfield's suggested maps and changes to the HCO District. Commissioners agreed that the boundaries were never discussed in detail during the work sessions and they felt that it was too late to bring them up now.

RESCIND MOTION by Commissioner Banfield, supported by Oates.

Commissioners discussed the process of the 2008 Master Plan. Banfield stated that in the Master Plan, it is the Planning Commissioners responsibility to gather information for future planning and also to protect zoning and property values. Commissioner Fleming stated he does not think commissioners should include maps in their recommendation without properly going over them first. Commissioners agreed to discuss the HCO District boundaries presented by Commissioner Banfield at this meeting and include what they felt was appropriate.

Commissioners agreed to break up the recommendation into two sections, "Recommendation A" and "Recommendation B" and vote separately on issues.

Recommendation A

Recommendation A discusses the proposed text changes to wording in the HCO District and proposed sign ordinance changes. Commissioners were in agreement with the recommended changes that were made during their prior work sessions.

MOTION by Fleming, supported by Davis, to recommend "Recommendation A" to Honorable Mayor Dyer. On a roll call vote-Ayes: Revore, Banfield, Fleming, Burke Smith, Oates, Davis, and Collins. Nays: None. **MOTION CARRIED.**

Commissioners agreed to review individual specifications on each allowed sign in the HCO District at April's regular Planning Commission meeting.

Recommendation B

- **High Street.** Exclude the four parcels along the West side of High Street, between Mansion and E. Prospect, from the HCO District. It was expressed that this would protect the neighborhood by serving as a natural buffer between uses.

MOTION by Banfield, supported by Oates, to recommend the exclusion of the four parcels along the West side of High Street from the HCO District.

Some commissioners discussed if it is a good idea to exclude the four parcels without further research and some commissioners believe that the overlay should be bordered by streets and not individual properties.

On a roll call vote-Ayes: Burke Smith, Oates, Banfield, and Collins. Nays: Fleming, Davis, and Revore. **MOTION CARRIED.**

- **Decrease Impact on Residential.** The northern section of the HCO District presents special concerns as it has the capacity to greatly impact residential. Decrease the amount of impact by lowering the allowable height of a building to 3 stories and increasing the building setback.

MOTION by Banfield, supported by Oates, to recommend limiting the height of structures within the proposed HCO District North of Prospect to 35 feet, plus 15 feet for mechanical equipment, and to require a 50 foot setback allowing for a 10 foot landscaped buffer, surface parking and vehicular circulation.

Commissioners discussed how the 35 foot suggested height of buildings was determined and what impact the height will have on the neighborhood. Various commissioners disagreed on negating the height suggested by the HNC.

On a roll call vote-Ayes: Oates, Banfield, Fleming, Burke Smith, and Collins. Nays: Davis and Revore. **MOTION CARRIED.**

Planning commissioners agreed that street closures have nothing to do with the Planning Commission and agreed to remove it from the recommendation.

- **Prospect Street.** Consider leaving the two houses north of the Ricketson Building out of the HCO District. It was expressed that this would buffer this portion of the Prospect neighborhood.

MOTION by Banfield, supported by Burke Smith, to recommend exclusion of the two houses north of the Ricketson parking lot from the HCO District.

Commissioners asked about the prior variance granted to the two homes north of the Ricketson parking lot on Prospect Street. Mr. Covert stated that a Use Variance was granted to each of the two homes to be used as offices. Some commissioners questioned the advantage of having them in the HCO District.

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On a roll call vote-Ayes: Oates, Banfield, Burke Smith, and Collins. Nays: Davis, Revore, and Fleming. **MOTION CARRIED.**

- **Significant Structures.** The Franke Center and Magic Museum Library are significant structures to the landmark district; As such, they should be excluded from the HCOD.

MOTION by Banfield, supported by Oates, to recommend exclusion of the Franke Center at 214 E. Mansion Street and the Magic Museum Library at 111 E. Mansion Street from the HCO District.

Commissioners questioned if representatives from either the Franke Center or the Magic Museum Library have commented on the HCO District. No comments have been received by the Planning Commission. Ken Jendryka, HNC Chair, stated the reason for keeping the Franke Center and Magic Musuem Library in the district was due to any type of unforeseen natural disaster, it would be unlikely the two buildings would be rebuilt as their current use. This would give hospital representatives the ability to purchase the land and use it for hospital expansion. Some commissioners agreed that there has not been enough time to discuss this issue and make a reasonable decision.

On a roll call vote-Ayes: Banfield, Burke Smith, Oates, and Collins. Nays: Davis, Revore, and Fleming. **MOTION CARRIED.**

Staff went over the remaining of the documents that will be attached to the recommendation.

MOTION by Fleming, supported by Davis, to send all documents in "Recommendation B" to Honorable Mayor Dyer. On a voice vote; **MOTION CARRIED.**

PUBLIC HEARINGS

None

NON-AGENDA MATTERS

None

REPORTS

None

ADJOURN

The Planning Commission adjourned at 10:01 p.m.

Submitted by,

Colleen Webb

Attachments:

Letter submitted by Charles Dobbins, Jr. on March 3, 2012

Letter submitted by Rob Covert on March 5, 2012

Letter submitted by Pat & Bob Shirey on March 6, 2012

Letter submitted by Janet Ostrum on March 6, 2012

Letter submitted by John Fleming on March 6, 2012

Letter submitted by Dave Deppe on March 7, 2012

Letter submitted by Daniel & Jane Anderson on March 7, 2012

Letter submitted by Holly Harnden on March 7, 2012

Letter submitted by Tim Banfield on March 7, 2012

Letter submitted by Rob Covert on March 7, 2012

Letter submitted by Chris Winkler on March 8, 2012

Letter submitted by Tim & Cecilia McCaleb on March 8, 2012

RECEIVED

MAR - 2 2012

March 1, 2012

Marshall Planning Commission
Marshall, Michigan

Dear Planning Commission Members:

The consulting reports prepared for what has been referred to as the Hospital and Neighborhood Committee say that Oaklawn Hospital, unlike many other hospitals in the country, has maintained its economic viability while being the largest employer in the community. Actually, there is at least one other hospital, just several hours away, that is also the community's largest employer, Adventist Hinsdale Hospital located in Hinsdale Illinois, that has remained viable in perhaps an even more competitive environment than Oaklawn Hospital. Marshall and Hinsdale benefit tremendously from the excellent services provided by the dedicated medical staffs and employees.

A major difference between the growth patterns of the two Hospitals is that Hinsdale has not allowed overdevelopment to occur on the existing Hospital Campuss site or expand into nearby residential areas, and recognized the importance of maintaining the integrity and respect for adjacent residential neighborhoods and zoning districts. A "compromise" was reached years ago where the Hospital is allowed to grow in a measured and prudent manner on its existing Hospital campus site while acquiring a site about two miles away to accommodate the growth of various health and medical facilities. I believe that this approach could serve as a best practice model for Marshall and Oaklawn Hospital to follow.

Going forward, however, the Planning Commission should be aware, that the ordinances currently under consideration for action and recommendation to the City Council do not adhere to sound principles of good planning practices and sustainable community development strategies. There are economically viable alternatives to future Hospital and

health services development contemplated in these ordinances and zoning map amendments. To recommend the approval of the Hospital Campus Overlay District Ordinance, Hospital Campus Overlay District Edge Zones, and Sign Ordinance amendments will result in a travesty of the planning and zoning process.

The consultants have stated that Oaklawn Hospital will need up to 190,000 sq. ft. of additional space in the next 20 years to remain viable. From an effective and sustainable community development standpoint, the density, intensity of use, lot coverage, FAR, mass and scale as allowed in the Hospital Campus Overlay District Ordinance are simply out of proportion to the overall site available, even with the zoning map amendments which entail significant encroachments into adjacent zoning districts. The proposed ordinance, which is a version of form base zoning, would allow for a near 100 percent (either 0 set back or a bare minimum of 10' to 20' from the lot line depending on adjacent land use or zoning district) lot coverage for the entire Hospital Overlay District and permit a height of 65 feet, plus another 15 feet for mechanical fixtures for a total height of 80 feet. In order to comprehend this more clearly, the Plan Commission should require a rendering showing the mass and scale of a plan built to the maximum size and height allowed by the proposed HCOD ordinance. This is not a big deal to prepare. Imagine, a solid giant red brick building, covering the entire HCOD boundary map, including all the area from the vacation of Madison St. and Prospect St..

One of the more egregious violations of sound planning practices involves using lot lines, instead of streets, as the boundary lines between inherently incompatible zoning districts. For example, the northern encroachment boundary of the proposed HCOD ordinance is drawn at rear property lines of single family homes located within a Residential zoning district. A sound planning practice is to avoid conflicts between zoning districts, not * create them. Accordingly, the only solution to this problem would be for Oaklawn Hospital to acquire even more residential properties on Madison St and High St., with possible new access drives onto these streets. This, in turn, will lead to even further creeping decline of beautiful residential neighborhoods and a reduction in taxable values with less tax revenue for the City. We are told by the HNC report that the proposed ordinance has "setback requirements that are sensitive to neighboring properties...and...are much greater when they adjoin residentially zoned property." However, the new ordinance, as noted above, will allow for an effective height of 80 foot tall buildings to be located within 20 feet of a residentially zoned property. The ordinance does not reflect the claims of the HNC report.

The Planning Commission should be aware, that once the HCOD ordinance is approved, the only City involvement from that point on, except for vacation of Madison St. and Prospect St., is a ministerial role through the site plan review and approval process. Representations have been made that the HCOD is a 20 year plan and that this should give comfort to the community. Oaklawn Hospital can come to the City now or days after the ordinance is adopted and request another zoning map change for additional growth. The development agreement is more likely a response to a Federal requirement for mitigation measures that must be taken when expanding into a designated historic district. The State Historical Society has not returned my phone calls to discuss this.

In Hinsdale, the Adventist Hinsdale Hospital is allowed one 8 foot ground sign with a maximum of 50 square feet, or two signs, each no more than 25 sq. ft. The proposed sign ordinance changes for Marshall will allow for an unrestricted number of ground signs that can be 9 feet tall and 150 square feet. Immediate and irreparable harm will be done to the surrounding residential neighborhoods should these sign changes be allowed. Also, Hinsdale does not allow changing copy signs, whether lighted or not. These types of signs can cause driver distraction and make pedestrians less safe.

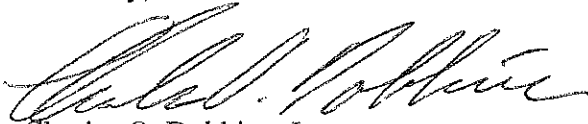
The Marshall zoning code has 10 rezoning criteria. None of these criteria have been met. In fact, recommending approval of the HCOD ordinance, Boundary Map and Sign Ordinance changes will create the conditions for declining taxable value. Remember, even with the reported eight prior expansions of the hospital, the City's taxable value has declined 5 to 7 percent and the City is projecting a \$1 million budget deficit. It is time for a true compromise. The Hospital has purchased most of the homes to be included in the HCOD boundary map. These purchases do not convey a right of favorable rezoning, regardless of the condition of the property. There is, however, a presumptive validity to the existing zoning classifications.

The HNC was established by the Marshall City Council through a unanimously approved motion at the June 21, 2010 City Council meeting. Voting to approve the motion included the spouse of the senior executive of the hospital, one of the two employees of the hospital, and the marketing consultant of the hospital. The HNC is the most important public body ever established by the City to deliberate and make decisions on recommendations involving vital public policy issues and when two of the neighborhood representatives resigned by October of 2010 the City did not appoint replacements. A member of the HNC missed three meetings, was late for some others, but attended when there was an important vote. The HNC included a City Council member who voted with the majority to recommend the new ordinances and boundary map amendments.

The HNC established a six member Sub-Committee. This public body is where the crucial policy deliberation occurred and decisions on final recommendations to the HNC were made. Although minutes are available for five of their meetings, there was no public notice given, as required by the Michigan Open Meetings Act, to avail the public the opportunity to observe and participate in the policy deliberations and recommendations of the public body. Even with a City Attorney opinion that a public notice was not required, out of an abundance of caution, a public notice should have been given considering the importance of the issues.

The existing procedures as contained in the Zoning Code are more than sufficient for responding to any development request of Oaklawn Hospital. These procedures, just like the ones in Hinsdale, are designed to prevent the very thing that has happened in Marshall where the zoning beneficiary is itself voting on its own zoning amendments as a member of a public body. The HNC should never have been established. The Planning Commission is urged to recommend the City Council reject and vote down the HCOD ordinance, boundary map amendments, and sign ordinance changes. I am a resident of Marshall.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles O. Dobbins, Jr.", written in dark ink.

Charles O. Dobbins, Jr.
Harvard Kennedy School of Government, SLP
University of Wisconsin-Madison, MPPA



OaklawnHospital
*Advancing medicine.
Compassionate care.*

RECEIVED

MAR - 5 2012

MEMORANDUM

MARCH 5, 2012

TO: PLANNING COMMISSION, CITY OF MARSHALL

FROM: ROB COVERT, FACHE
PRESIDENT AND CEO

RE: THOUGHTS RE: SIGNS NEEDED FOR HCOD

1. We would agree to conform to Chapter 152 subject to the following modifications:
 - a. Maximum signage square footage for entire HCOD: No maximum total square footage
 - b. Ground signs: 13' maximum height
 - i. If the sign refers to a building of > 100,000 s.f., then maximum of 150 s.f. per side for a total of four signs of that size; in addition, two signs per parking lot driveway with a maximum of 10 s.f. per sign side.
 - ii. If the sign refers to a building of between 3,000 and 99,999 s.f. then maximum of 100 s.f. per side for a total of three signs of that size; in addition, two signs per parking lot driveway with a maximum of 10 s.f. per sign side.
 - iii. If the sign refers to a building of < 3,000 s.f. then maximum of 50 s.f. per side for a total of two signs; in addition, two signs per parking lot driveway with a maximum of 10 s.f. per sign side.
 - iv. Directional signs: unlimited number, maximum of 4 s.f. per side

- c. Wall signs:
 - i. If the building to which the sign is attached is $> 100,000$ s.f., then maximum of 150 s.f. per sign for a total of four signs, plus one sign per public entrance with a maximum of 25 s.f. per sign.
 - ii. If the building to which the sign is attached is between 3,000 and 99,999 sq. ft. then maximum of 100 s.f. per sign for a total of three signs, plus one sign per public entrance with a maximum of 25 s.f. per sign.
 - iii. If the building to which the sign is attached is $< 3,000$ s.f., then maximum of 50 s.f. per sign for a maximum of two signs, plus per one sign per public entrance with a maximum of 25 s.f. per sign.

- d. Animated sign: Maximum of 90% of the maximum sign area of 150 s.f. may be animated. Maximum nit during daylight of 5,000 and 500 nit nighttime, change frequency 12 seconds or more, 24/7 illumination, maximum of three animated signs.

Natalie Huestis

From: patricia shirey [shirey518@att.net]
Sent: Tuesday, March 06, 2012 12:08 AM
To: Natalie Huestis
Subject: overlay district

RECEIVED

March 5, 2012

MAR - 6 2012

518 E. Mansion St.
Marshall, MI 49068

I received this letter Saturday, I believe, and hadn't had time to read it until late this evening due to complicated family issues.

We are NOT happy with the hospital's plan to expand into the neighborhoods again, and again, and again!. We have issues with the closing of streets, especially, E. Mansion and High Street. Let them take 1 block of N. Madison and the 1 block north of the hospital, but no more. In return for closing 1 block of Mansion and High Street, do not close off more and stop expanding into the 400 block. Stop the constant creeping into the neighborhoods!! Sincerely, Pat & Bob Shirey

RECEIVED

MAR - 6 2012

February 9, 2012

City of Marshall
323 W. Michigan Avenue
Marshall, Michigan 49068

Hon. James Dyer, Mayor; Marshall City Council
Mrs. Susan Collins, Chair; Planning Commission ,

The mission and responsibilities of the Marshall Main Street/Downtown Development Authority have been a vital interest to me for a decade. I do not think any actions of my DDA colleagues over that time require defending because I know them to be people of integrity and unselfish dedication to the community. They are also people who have done their homework and know the facts regarding the district. Yet, as an owner of commercial and residential historic property in the city, I would like to share some thoughts about Mr. Ken Jendryka's inferred accusations of DDA misfeasance in his letter to you dated January 29, 2012.

His central claim is that the DDA's analysis of the proposed overlay district/development agreement is not based on facts. Another HNC member described the analysis as without "factual integrity". Given the single minded charge given to the Hospital Neighborhood Committee I can understand how some facts about Marshall Politics involving the DDA and land use have escaped awareness or are simply too inconvenient to reference.

To address Oaklawn Hospital's problem of expanding parking needs at its present location, and the fact that DDA surface lots and surrounding streets were being encroached upon, it was decided a parking structure would be the solution. The City of Marshall could/did not afford a structure. So Oaklawn Hospital built a parking structure. By the year 2000, the parking structure was complete and a lease agreement was in place between Oaklawn Hospital and the City of Marshall which after one amendment required the DDA to pay in excess of \$45,000 annually for 40 years to Oaklawn Hospital for "public use" and maintenance within the structure. This shifted a business expansion problem created from outside the DDA district to a DDA budget expense. As Mr. Jendryka states" expansion of a business is a business decision and not a Community decision". I concur, and would add that business expansion is a business responsibility and should not be a community burden.

The primary source of revenue to the DDA budget is tax increment financing. These are monies that are calculated as 1.6129% of increased property value from inside the district. The intended use for these revenues is reinvestment in the district by the DDA. Those DDA board members who approved the contract were, coincidentally, successful in persuading council to bond for a \$700,000 downtown lighting project that would also take decades to pay for. It was then decided that the confluence of these financial obligations effectively ended the ability of the DDA to undertake further development in the downtown and that planned development projects were complete. At that time, the strategy to disband the DDA would have conveyed its remaining fund balance of over \$120,000 to the general fund of the city. To quote Ken's letter, this certainly would have left the downtown business community "to find other avenues to promote their businesses". Moreover it would have cast individual downtown property owners adrift in sustaining the historic built environment that is obviously critical to the identity of Historic Marshall, and its sense of place and legacy to all Marshall Citizens. Marshall's historic downtown has always had the potential to grow into an economic engine in the City and the State of Michigan with development efforts aimed at heritage tourism and preservation. Events serendipitously

brought about a new prospect for those who did not want to leave downtown absent a body to champion that vision.

In 2002, the National Trust for Historic Preservation partnered with the Michigan Economic Development Corporation to award grants to local governments willing to adopt the Main Street Four Point Approach to economic development in their traditional central business districts. This initiative saw several communities vie, and in 2003, Marshall was selected along with three other cities as the first Michigan Main Streets. This was, and is, a huge achievement and opportunity for Marshall. It required true community consensus and *transparency* about the *fact* that this was a plan for business development that would emphasize historic preservation in Marshall.

Some entities that supported the DDA in pursuit of the grant are the Calhoun County Board of Commissioners, Battle Creek Unlimited, the City of Marshall, the Marshall Area Chamber of Commerce, the Marshall Community Foundation, the Cronin Foundation, the Marshall Rotary Foundation, local financial institutions, local businesses small and large, including Oaklawn Hospital, and individuals including the state representatives of our district. Most of these entities lent moral support as well as the financial support necessary to develop a budget to hire a DDA director and implement Main Street economic development strategies in downtown Marshall. So the DDA was brought back from the brink and began again with new board members and a new vision with an emphasis on historic preservation. Marshall's Main Street initiative was promised support from city government and citizens that simply eclipses anything the Hospital Neighborhood Committee has heretofore achieved in terms of inclusiveness and greater community good. By way of contrast, I attended a public meeting where I witnessed a HNC member inquire as to the ability of citizens to attend HNC sub-committee work sessions. The Chair responded by saying "...No,...(if) we let the public in we'll never get anything done".

"A stronger hospital means a stronger community"; we can only wish Mr. Jendryka's analogy could be verified. Over the last decade, while Oaklawn became "stronger", Marshall declined. Marshall has lost employers like State Farm Mutual Insurance Company with a national employee and consumer base, property values have declined, schools have lost funding, on and on. Yet, despite employer loss, Marshall has not realized appreciable loss of population. This is a very interesting fact, as it indicates that people choose to live in Marshall for reasons which are not driven by local employment alone or even predominantly.

Local government has inadvertently limited the DDA's ability to influence prosperity for business and property owners in the historic DDA district as well as residential historic property owners throughout the city by allowing Oaklawn Hospital to define Marshall's economic development outlook as a zero sum game. A strong preservation ethic in a community does not mean a proportionate limited opportunity for a hospital (or any other business for that matter) serving that community. Available to anyone who can Google are studies, statistics and reports proving the economic value of local historic ordinances to property owners and governments. The specious argument that the HCO must exist to provide business expansion should be rejected. The fact is; there is no natural right of business expansion, particularly as it involves shifting the problems of that expansion to the general citizenry. It is, however, reasonable to expect that officials protect individuals with real property from aggressors in a particular geographic area. Mr. George Erickcek, analyst at the W.E. Upjohn Institute, told the HNC that while Oaklawn Hospital contributes to the economic base, it would continue to do so, without local detriment, if its operations, in part or whole, were relocated from its present site.

There is an erudite phrase in my profession that "less is more". Where city revenues are concerned, more is more. In the last eleven years the DDA has lost \$41,663.26 of tax revenue from sales of property in the district to the Ella E M Brown Charitable Circle. Those missing funds directly impair the DDA's ability to halt property value deterioration and to promote tourism.

As Ken states in his letter, the Hospital Neighborhood Committee heard *facts*. In many cases the best *facts* that money could buy. They did not hear, nor did they express any curiosity about, public safety or the economic impact to the city, local contractors, service providers, businesses or schools of losing structures, lots or roadways within the proposed overlay district. In fact, these concerns were brought up during HNC meetings by citizens and the Chair said that they were matters to be looked into by other bodies, presumably city council, planning/zoning. Information presented to the committee should have included the implications of federal legislation for Oaklawn Hospital's business model and stability. Ken stated that the only goal of the Mayor's committee was to propose a plan for Oaklawn Hospital to expand in its current location.

The DDA has other goals, and in achieving those, did exactly as the legislature of the State of Michigan, the Marshall City Council, and the Michigan State Housing Development Authority have empowered it to do. In evaluating the HNC proposed overlay district ordinance/development agreement, they rightly considered the best interests of property owners in the district as well as community heritage. They concluded, from previous experience and in light of certain budget realities, that deterioration of property values, and removal of structures results in lost property tax revenue. Revenue the DDA must rely on to sustain community image and expand local economy through downtown development. More salient, the DDA states that there is already a viable system in place for all property owners who are seeking exception to the rules. If that finding runs afoul of certain agendas, so be it. I, for one, expect Officials to enforce the existing code of ordinance, honor their prior commitment to Michigan Main Street's approach to economic development through historic preservation, and substantially weight the opinion of the DDA which Council asked it to render.

Respectfully,
Janet E. Ostrum
Bayberry House Interiors
108 N. Park Ave.
Marshall, Michigan 49068

Cc: Mr. Ken Jendryka, Chair-Hospital Neighborhood Committee
Mrs. Sue Damron, Chair-Marshall Downtown Development Authority

MAR - 6 2012

Natalie Huestis

From: john ch fleming [jchf@prodigy.net]
Sent: Tuesday, March 06, 2012 3:12 PM
To: Natalie Huestis; Colleen Webb; Council Member Mankerian; David Owens; david Revore; Julie Burke-Smith; Keith Mengel; Ken Oates; Matt Davis; Susan Collins; Tim Banfield
Cc: Ken Jendryka; Ginger Williams; Covert Rob; Tom Tarkiewicz
Subject: Re: Dobbins public comment letter

Good afternoon,

I read Charles Dobbins letter with great interest. However, I believe that his reference to "sound planning practices" refer to more of an academic, ideal scenario that does not represent the pragmatism required by our current situation. It is also my strong opinion that the comparison of Marshall, MI to Hinsdale, IL is tenuous at best. Hinsdale is not a free-standing community, but is a relatively wealthy bedroom-community suburb, 30 miles from downtown Chicago (30 minutes by train). Per 2010 census data, it is in the top 1% of wealthiest communities in Illinois. The *per capita* income is \$63,000 (median income is \$104,000), three times that of Marshall (\$22,000), and median home price is \$520,000, almost five times that of Marshall (\$117,000). It is not surprising that local businesses are not the primary employers. The thing that Hinsdale has in common with Marshall is that the downtown is a quaint National Registered Historic District. However, the census statistics and its commuting proximity to downtown Chicago indicate that it has financial resources, employment sources, and a property tax safety net not enjoyed by Marshall.

This lop-sided comparison extends somewhat to the hospital, although Oaklawn is an anomaly with regards to the quality of services for its size (and is nationally recognized as such). Both hospitals are surrounded on three sides by a historic community, and are two blocks from a historic downtown. However, the scale is different, and the Adventist campus is much larger. Adventist hospital currently has 251 beds, Oaklawn has 94 (more on this later). Adventist does approximately 6,600 in or out-patient surgical procedures per year, while Oaklawn does 4,100. They also received about 36,000 E.R. visits annually.

Yes, absolutely, Hinsdale Hospital has an expansion planned at an outlying campus, where they have planned a large outpatient and cancer-care center. However this has not yet occurred, and it is not the intent for this satellite care facility to take the place of the main hospital campus. Almost all services are, and will continue to be, administered at the main hospital. In fact, this month the hospital is having the open house for their new five story 100,000SF "Patient Pavilion", *complete with Helipad*. (Creating an additional 126 private patient suites). This forms the south wing of the main hospital at 120 N. Oak Street, which as noted by Charles Dobbins, is in the middle of the neighborhood, and is two blocks from the downtown historic district (the helipad is even closer). The following link will take you to a promotional video released by the hospital, narrated by the president of Adventist Hospital:

Mr. Dobbins was village manager of Hinsdale from 1989 to 2000, so he obviously understands a great deal about that community, at that time. However, the expansion requirements of Hinsdale's own hospital are much, much different than what I, or any other reader of Dobbins' letter, may have expected. They also indicate the incredibly competitive business climate for hospitals today, while facing a relentless reduction of reimbursements for services. The business plan of Hinsdale's hospital clearly demonstrates the need for hospitals to remain central and easily accessible, and also competitive through expansion of services to avoid loss of market share.

Thank you for your time,

John F.

P.S. Hinsdale Adventist's corporate motto is "World Class Healthcare Right in Your Own Backyard".

RECEIVED

MAR - 7 2012

March 7, 2012

TO: City of Marshall Planning Commission

SUBJECT: Public Hearing on Hospital Overlay District – March 7, 2012

Dear Commission Members,

Unfortunately I will be unable to attend the public hearing in person. However, this is a very important matter for the City of Marshall and therefore I wanted to give my input for consideration.

First of all, I would like to thank all of you for serving on the Planning Commission, and for taking your volunteer time to do this important work. I commend all of you for your dedication to this function!

Although writing this as a public citizen, I also served on the Hospital/Neighborhood Committee over the last two years. I was one of the two committee members that voted against the proposal, and I still hold this view.

The proposed Overlay District is the wrong direction for the City of Marshall for a number of reasons.

First, the proposed boundaries would significantly impact the integrity of the Landmark District, particularly on the Eastern edge. This opinion was supported by the State Historic Architect, Robb McKay, who made several suggestions of revised boundaries that would allow preservation of the row of homes directly to the east of the hospital. I found it very interesting that every time this issue was brought up, many reasons were immediately voiced by the Oaklawn representatives that this was not feasible, would not be allowed by hospital regulations, was too expensive, etc. I feel strongly that the options to change this East boundary were not well researched. The only reason we really heard in the end was that this was too expensive for the hospital. I feel it was very wrong to ignore the recommendations of the State Architect, who has much more experience in these matters than anyone on our committee, or for that matter in Marshall, and take a path that was favored by the single business that will benefit the most from the proposed Overlay District. Incidentally, Robb also mentioned several times that closing streets in residential areas as proposed has a history of not working well and causing major upset to traffic flow in communities such as Marshall.

Second, the city needs to consider the financial effects of implementing this Overlay District. As a property owning Marshall taxpayer, I resent the fact that we have a large business in town that the City continues to cater to for what actually is a fairly minimal financial benefit. The properties that are included in the proposed Overlay boundaries contribute a total of some \$150,000 per year to the City in property tax revenue. Who is going to make up this difference? If the new \$25 million surgical wing were owned by a typical for profit business, this alone would be worth over \$250,000 per year in property tax revenue. Unfortunately, nobody ever points out the costs of having the hospital in the City because of this loss of tax revenue. If the hospital expands and grows, where is the financial benefit for the City of Marshall? I believe that this is one of the main reasons that the City is short on funds for many of the

tasks they need funding for. It is an unfortunate reality that one of our largest businesses is a non-profit organization, but this does not require that we continue to cater to them at the cost of Marshall taxpayers. Before this proposal is voted on, I feel that it is very important to do an economic impact study to understand what the financial implications will be to the City as a result of these changes.

Third, I believe that the proposed Overlay District contradicts the Marshall Master Plan, proposed land use guidelines, and conventional Zoning strategies. What this document does is rezone a large residential area into a large commercial area, right in the middle of a residential neighborhood. Development of this type typically is done at the edge of residential areas on Greenfield sites as an area grows. To tear down residential structures in order to accommodate a business expansion is a flawed strategy.

In summary, I feel that the proposed Hospital Overlay District, if approved as written, will do irreparable harm to the City of Marshall for years to come. Expansion of this type of business in the center of a nationally recognized Historic District is absurd. Passage of this proposal will do irreparable harm to Marshall's Historic District, and will further stretch the city's already fragile finances as further hospital expansion occurs.

One conclusion of the Economic Impact Study was that the economic benefit to the region would be the same regardless of where the hospital was located. Why do we want to continue to threaten our nationally recognized Historic District by showing preference to helping a local business expand in the most economical way? I would really like to see the City finally put their foot down and say that the hospital cannot grow any further in their current location. What we really need is a 20 year plan to move their facilities to where they belong, adjoining I-94 or I-69 like you see in many other communities.

As a tax paying, property owning, local business owner, I urge you to vote against the proposed Overlay District. I do not believe this is the right direction for Marshall.

Sincerely,

Dave Deppe
107 Forest St.
Marshall, MI 49068

Natalie Huestis

From: dwdeppe@intergate.com
Sent: Wednesday, March 07, 2012 10:10 AM
To: Natalie Huestis
Cc: Ken Jendryka; Susan Collins
Subject: Re: your HCOD letter
Attachments: Hospital hearing letter - planning commission.pdf

Hi Natalie,

Thanks for pointing this out. This information came from Mark Stuart, who obtained it from the City Treasurer. After a phone call this morning we discovered that it was a four year projection, so the per year number should be \$150,000. I attached a revised letter with this correction included.

Thanks,

Dave Deppe

Quoting Natalie Huestis < >:

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>
> Dave,
>
>
>
> The question was posed today where you got the \$600,000 figure in the
> letter you sent to Susan and the Planning Commission. If you don't
> mind, would you clarify where you found that information and possibly
> which properties were included, for thought purposes only?

> Thank you!

> Natalie Huestis

> Director of Community Services

> City of Marshall

> 269.789.4604 x106

> Fax: 269.789.4628

Natalie Huestis

From: dwdeppe@intergate.com
Sent: Wednesday, March 07, 2012 10:12 AM
To: Natalie Huestis
Cc: Ken Jendryka; Susan Collins
Subject: Re: your HCOD letter

Natalie,

One additional note. The total includes all the residential properties within the proposed Overlay District that are currently paying property taxes.

thanks,

Dave D.

Quoting Natalie Huestis < >:

>
>
> Dave,
>
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>
> The question was posed today where you got the \$600,000 figure in the
> letter you sent to Susan and the Planning Commission. If you don't
> mind, would you clarify where you found that information and possibly
> which properties were included, for thought purposes only?

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>
>
> Thank you!

>
> Natalie Huestis
>
> Director of Community Services
>
> City of Marshall
>
> 269.789.4604 x106
>
> Fax: 269.789.4628

Rec'd.
3/7/12
late

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MAR - 7 2012

MARCH 6, 2012,

Dear Commission Members,

We are writing to object to the proposed overlay district for Oaklawn Hospital.

We believe rezoning our residential neighborhood into a commercial district is unnecessary for the expansion of the Hospital. As you will hear tonight there are much better solutions to this issue.

We ask that you would protect the property owners of Marshall and vote down this proposal.

Thank you for your time.

Sincerely,

Daniel and Jane Anderson

405 E. Mansion St.

RECEIVED

MAR - 7 2012

Planning Commission Meeting March 7, 2012

Good Evening!

As most of you know, I was chosen to be one of the citizens to represent the neighborhood on the Hospital and Neighborhood Committee.

I was delighted to be asked and even more excited to serve on this committee as I had high hopes for some kind of resolution between the hospital and the neighborhoods surrounding it.

On page 4 of the HNC Executive Summary it reads, "The HNC was established to address long-standing challenges between the growth needs of Oaklawn hospital and the desires of the Neighborhood and Historic Preservation community to prevent any negative impact to the neighborhood and/or historic structures."

The HNC was charged with identifying an acceptable compromise solution. Unfortunately, speaking for myself and another committee member, Dave Deppee, we found NO acceptable compromise that was beneficial from a neighborhood standpoint. We were not the only ones to feel this way.

Oaklawn brought in many experts to help us formulate some decisions on their expertise in certain areas. One such person was Mr. Robb McKay, a State Historic Architect. His suggestions of preserving the row of homes directly to the east of the hospital, because of their historic nature and because they had not been compromised was met with a total disregard. This was very disappointing to me as I thought this could have been one of the areas Oaklawn could have shown willingness to compromise. This point was also brought up by other members of the community when they were allowed to speak at some of our meetings.

There was a recent letter written to the *Advisor* and the *Battle Creek Enquirer* by a Mr. Charles O. Dobbins Jr., who is a retired city manager from Florida, who now resides in Marshall. He pointed out many, many excellent points about the flaws in the makeup surrounding the overlay district that I agree with wholeheartedly.

There were also many local and State agencies that very strongly do not support the passing of this proposed overlay district including our own Marshall Historical Society and Marshall's Downtown Development Authority as well as the National Parks Service of Michigan and the Michigan Historic Preservation Network.

As stated in my letter as Exhibit B2 in the HNC Executive Summary—I wrote, "When such important National, State and local authorities, commissions and societies do not support the irreversible changes to our community such as Oak lawn requests, those who insist on passing such legislation are lacking in good judgment, and do not represent the citizens, and the City, they have sworn to safeguard.

I hope you take all of these facts into consideration when helping to make a decision that may impact the future of this unique historic city for years to come.

May I leave you with a quote from an issue of *Preservation Magazine*. "Still today, too few of our fellow citizens truly comprehend of the power of preservation. Too few understand that preservation is not simply about architecture and landscape, but about our lives—who we were and are today—and about leaving our children and grandchildren a solid foundation on which to build."

Holly Harden ~~WARDEN~~
401 East Mansion Street
Marshall MI 49068

March 7, 2012

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MAR - 7 2012

We have spent the past few months discussing a potential expansion of a business into multiple zoned districts. The planning commission's responsibility is to study the impact that this expansion could have on the health and welfare of the citizens of Marshall and the possible conflicts this expansion could have with those existing zoning ordinances.

The result of this review could be to recommend establishing an Overlay District with development regulations specific to the needs of an existing business within that proposed district. This activity is similar to what happens during the review and subsequent adjustment of the Master Plan; most recently reviewed and approved in September of 2008. During the Master Plan review, existing zoning districts and their relationship to each other are discussed. This helps to reduce potential conflicts and establish buffers between unlike districts.

As a commissioner I am concerned with potential conflicts the proposed Overlay District could have with the existing R3 Zones to the North of East prospect St., East of High St. and North of Madison St. These conflicts could negatively impact the property value of the R3 district which we are charged to protect.

I think we are close to the summary phase of this review process but need more time for proper consideration of the most recent communications to the Planning Commission regarding the effect on property values as well as the Historical District.

Supporting the motion indicates compliance to the Mayor's request for a technical review of the proposed draft of the Overlay District.

City Council is responsible for any further action in regards to establishing the proposed Overlay District.

By: Tim Banfield

Rob Covert read
on March 7, 2012

Planning Commission Meeting
March 7, 2012

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MAR - 7 2012

As we near the end of the process with the Planning Commission, I think it is appropriate to review what has transpired previously.

Former Mayor Bruce Smith formed the Hospital and Neighborhood Committee, which held its first meeting in June 2010. Nine members stayed the course through over a dozen meetings and voted 7-2 to recommend to the City Council three things: the Health Care Overlay District Ordinance, the development agreement between the City and the hospital, and the proposed changes to the sign ordinance.

The Hospital and Neighborhood Committee heard from seven consultants: a master plan architect, an economic impact consultant, a parking consultant, a traffic consultant, a landscape architect, a zoning consultant and a State Historic Preservation architect. In total, the hospital spent \$200,000 on these studies.

The conclusions of the studies were based on finding a plan for the expansion of Oaklawn Hospital that is acceptable to the community and to the hospital.

The 20-year plan for Oaklawn Hospital involves adding 190,000 sq. ft. on-site (of which 60,000 can be built on our existing footings and foundations), hiring 500 more employees and creating 442 more parking spaces (we are 93 spaces short today). The hospital currently has a \$50M economic impact, and with the afore-mentioned changes will have a \$100M economic impact.

Oaklawn's inpatient volume has grown 90% over the last 20 years. Outpatient volume has grown 119-169%. As an example, there were 9,017 ED visits in 1979; in 2010, there were 22,000.

The boundaries of the Health Care Overlay District underwent extensive consideration by the Hospital and Neighborhood Committee. The area the committee ultimately selected was determined based on the following factors:

- a. A campus-like setting is important for patients and pedestrians
- b. The hospital needs the potential to expand in all four directions because the direction in which it will be able to acquire enough land to allow for expansion is unpredictable.
- c. The most logical and least expensive way for the hospital to expand its Emergency and Radiology Departments is by going east. Going north instead of east would cost \$13M more. The most logical way for the hospital to expand its Psychiatric unit and support departments will be to build over the new Surgery department (our Southwest corner).
- d. If going east was prohibited and we were forced to go north, the intrusion into the neighborhood would be markedly greater.
- e. The area within which the hospital would plan to expand for the next 20 years would be known.
- f. It would maintain buffer houses on the west side of High Street north of Prospect; the east side of Madison north of Prospect; and the east side of Division between Mansion and Prospect.
- g. The entire area to the south is already zoned commercial. On the west side, the Health Care Overlay District boundaries lie within property already owned by the hospital (except for the Magic Museum). On the north side the boundaries are all within the area of property the hospital already owns while leaving three other houses as buffers. On the east side, the boundaries include two structures the hospital owns and two it doesn't own. All would be allowed to become part of the current Health Care and Human Services District zoning, which the Planning Commission has previously approved, so going east is consistent with previous Planning Commission action.
- h. Twenty-seven expansion addition alternatives were explored, which ultimately confirmed that a multiple-direction solution will be necessary.

- i. 51% of outpatients are treated off-site currently. 25% of our square footage is off-site currently. We will continue to expand off-site whenever it is appropriate to do so.
- j. If going east is prohibited, building a parking ramp would become mandatory. The parking ramp cost is \$8M more than surface parking.

So those 10 reasons are the compelling reasons why the boundaries of the HCOD were chosen.

We believe this is the most transparent, comprehensive, expensive master planning process ever conducted in the city. The Hospital and Neighborhood Committee met for 14 months, heard presentations from the seven consultants and innumerable members of the public over hundreds of hours. We recognize it is impossible for the Planning Commission to receive the same depth and breadth of information as the Hospital and Neighborhood Committee received.

We appreciate the approach you have chosen to take regarding these proposals. Considering the complexity of the issues raised, we agree that sending a report showing areas on which consensus was and was not reached, is the best available approach.

Respectfully submitted,



Rob Covert, FACHE
President and CEO

Colleen Webb

From: sujocol@aol.com
Sent: Friday, March 09, 2012 1:13 PM
To: Colleen Webb
Subject: Fwd: 302 High

Colleen,
One last e-mail.
Susan

Susan Collins
222 North Marshall Avenue
Marshall, MI 49068
(269)781-4335

-----Original Message-----

From: Chris Winkler <estellew@yahoo.com>
To: SUJOCOL <SUJOCOL@aol.com>
Sent: Wed, Mar 7, 2012 5:34 pm
Subject: 302 High

Susan I am not able to attend the meeting but did want to advised that like my neighbors I do not want the ER accross the street from me. This will hurt my property value. Thanks,

Chris Winkler

March 7, 2012

TO: The City of Marshall Planning Commission

FROM: Tim and Cecilia McCaleb

RE: Oaklawn Hospital Campus Overlay District

We respectfully request that the Marshall Planning Commission turn down the Hospital Campus Overlay District (HCOB). Do not vote for it. We feel that the members of the Planning Commission and affected residents should visit the Adventist Hinsdale Hospital, in Hinsdale, Illinois, to research and learn what problems they encountered and how preserving contiguous residential areas worked for them.

We also would like to know why our Planning Commission was not aware of, or researched, other hospitals that successfully expanded away from residential areas.

Sincerely,


Tim and Cecilia McCaleb

410 E. Prospect,

Marshall, MI