

To: City of the Village of Douglas Planning Commission

Date: May 2, 2025

From: Sean Homyen, Planning & Zoning Administrator

RE: **98 W Center St. – Special Land Use Request for Short-Term Rental Units (Section 26.34) and Ground Floor Residential (Section 26.13) of the City of the Village Zoning Ordinance.**



The Village of Friendliness – Since 1870

Request. Mr. Erhan Kara has submitted an application for special land use approval for Ground Floor Residential under Section 26.13 and Short-Term Rental under Section 26.34 for the property at 98 W. Center St., located in the C-1 Village Commercial District, immediately west of the City Hall.

Background. The subject property, located at 98 W. Center St., was recently purchased. It is zoned C-1 Village Commercial District and covers 0.20 acres (8,679 SF). This parcel is part of the Spencer's Add Block 1 Plat. The building previously housed an art gallery on the main floor, residential use on the second floor, and a storage area in the walk-out basement. The proposal includes converting the basement (currently a storage area) into living space, converting the second floor into two separate units, and continuing to use the main floor for commercial. The applicant seeks approval to convert the basement into Ground Floor Residential space and to use the living spaces as Short-Term Rentals. The application, narrative, conceptual remodel plans, and additional documents are attached.



Procedure. The owner is required to submit a special land use application for Ground Floor Residential under Section 26.13 and for Short-Term Rental under Section 26.34 of the Zoning Ordinance. While “ground floor” is typically understood to refer to the main entry level of a building, this property includes a basement that functions as a walk-out level. In accordance with Section 3.05(2)(b), the Zoning Administrator has the discretion to determine a comparable use. Given the basement’s direct exterior access and functional similarity to a ground-level space, it is being considered a compatible use for Ground Floor Residential designation.

It should be noted that the short-term rental special land use for the C-1 District was adopted in 2021. Both uses require special land use approval from the Planning Commission. Additionally, a recommendation from the DDA is needed for the Ground Floor Residential use under Section 26.13(2)(C), as the property is located within the DDA boundary. At the February 26, 2025, DDA meeting, the DDA Members made a recommendation to the Planning Commission in support of the ground floor residential in the basement.

Special Land Use Consideration. Section 26.13 and 26.34 outlines the special land use requirements for the ground floor residential, and short-term rentals. These requirements are listed below, along with staff's analysis and comments:

Section 26.13 Ground Floor Residential

- 1) Locational Requirements: Residential uses shall be permitted on the ground floor of a structure located in the C-1 District only where such use does not front upon Center Street.

Remarks. This appears to be met. On the site plan provided shows that the residential use is behind the 30' setback.

- 2) Site Requirements:

- a. All residential dwelling units on the ground floor of a structure located within the C-1 District shall be set back a minimum of thirty (30) feet from the Center Street right-of-way to avoid breaking up the continuity of active commercial areas along Center Street.

Remarks. This appears to be met. The main floor shall remain a commercial use, and the 30-ft setback on the basement level will be used for storage space as part of the commercial use on the main floor.

- b. The Planning Commission shall make a determination that the regular flow of pedestrian traffic to and from established commercial uses is not likely to be negatively reduced or impeded by the residential use within a ground floor structure.

Remarks. The property features a walkway to the right of the building that leads to the walkout basement at the rear, where the ground-floor residential unit will be located. The existing building also includes a residential unit on the second floor, which is accessible via an interior stairway.

- c. Any application for Ground Floor Residential use within the boundaries of the Downtown Development Authority shall be submitted to the DDA Board for recommendation prior to Planning Commission approval.

Remarks. This appears to be met. The DDA Board made a favorable recommendation to the planning commission in the support of the request of the ground floor residential use in the basement at February 26, 2026 meeting.

- d. All standards of Article 10 C-1 Village Center District shall apply to a ground floor residential use except that the minimum transparency requirements set forth within Section 10.02, D, may be reduced to no less than 30% to ensure the safety and privacy of residents.

Remarks. This appears to be met. The lot width is 65.83', lot size is 8,679 SF, and the existing building meets all the requirements of 10.02 and transparency requirements.

Section 26.34 Short- Term Rental Units.

- 1) Locational Requirements: Short-Term Rental Units are permitted by Special Use Permit in the C-1 Village Center District, specifically approved by the Planning Commission.

Remarks. The Subject property is currently in the C-1 District. The applicant is currently seeking to obtain special land use approval for the short-term rental units.

- 2) Site Requirements: The parcel must be large enough to meet all the requirements of a lot in this district and the requirements below.

Remarks. The parcel meets the minimum lot size and lot width requirements for the C-1 district. However, the Commissioners will need to determine if these requirements are fully met, as the required parking spaces still need to be addressed below.

- 3) Performance Standards.

- a. Short-Term Rental Units shall be in compliance with the provisions of Section 16.33 of this Ordinance.

Remarks. A condition has been added requiring the applicant to register the short-term rental units with the City if approved.

- b. All signs shall be in compliance with the provisions of Section 16.26 of this Ordinance.

Remarks. The applicant is not proposing any new signs at this time. Any future signs will require a sign permit before installation. A condition has been added for any future signage.

- c. All parking shall be in compliance with the provisions of Article 19 of this Ordinance.

Remarks. The applicant is requesting that the Planning Commission waive all of the parking space requirements for the residential use. Section 10.04(b)(2) of the ordinance allows the Planning Commission to reduce or waive the parking space requirements specified in Sections 19.03 and 10.04(b)(1). The applicant's request letter is included in the packet. The required parking for the three units is six spaces in total. One and Two-Family Dwellings would be used to determine parking for the residential uses. Since the art gallery is no longer in operation, additional parking is not necessary. If a new art gallery or other permitted or special land use is established in the future, this would be a suitable time to reassess the parking requirements. Should there be a change of use, a new site plan approval and a subsequent request to waive parking requirements may be necessary.

This condition has been included as part of the approval. If the Commissioners do not approve the waiver, the applicant shall provide 6 parking spaces in the back and obtain an easement from the City for egress and ingress to the parking lot. The applicant provided minutes from the Council meeting held on March 11, 2002, where Council approved an access easement through the City Hall parking lot for access in the back parking area. Records show no history of an easement being recorded.

- d. Landscaping and Buffering shall be provided in accordance with Article 21 of this Zoning Ordinance.

Remarks. This appears to be met. The buffering is pre-existing with a fence placed around the property along with landscaping around the property.

- e. All exterior lighting shall be in accordance with Section 19.05(6) and 24.03(9) hereof.

Remarks. The plan does not show any lighting. A condition has been added that addresses lighting, should any additional exterior lighting be proposed to the building addition.

Recommendation. At the upcoming Public Hearing meeting, the Planning Commission will review the Ground Floor Residential and Short Term Rental request. Commissioners should carefully consider the information presented in this report, as well as comments from the applicant and the public. If the Planning Commission concurs that the standards of the ordinance have been met, and waives the parking requirements quest, staff recommends approval of the request for the ground floor residential of the basement, and short term rental of the second level and basement of the existing building located at 98 W Center Street, subject to the following conditions as shown in the suggested motion. If the Planning Commission denies the waiver, the applicant should be required to obtain an easement from the City. This was added in the condition as well.

Suggested Motion. I move to [approve / approve with conditions / deny / table] the request made by Erhan Kara for special land use approval for Ground Floor Residential at the basement level, per Section 26.13, and for Short-Term Rental Units on the second level and in the basement, per Section 26.34 of the City of the Village of Douglas Zoning Ordinance, based on the findings outlined in the staff report dated May 2, 2025, and to [approve / deny] the request to waive all of the parking requirements for the residential uses on the parcel identified as P.P. 59-551-002-00, located at 98 W. Center St., subject to the following conditions:

1. The applicant shall obtain a zoning permit before making any modifications to the building.
2. The applicant shall obtain a building permit from MTS before commencing construction.
3. The applicant shall register the short-term rental units with the City per Section 16.34 (1).
4. Any change in use shall require site plan approval per Section 24.01 of the Zoning Ordinance.
5. Any proposed signage shall require a sign permit per Section 22.04 (A) of the Zoning Ordinance
6. Any proposed exterior lighting must comply with Zoning Ordinance Sections 19.05(6) and 24.03(9).
7. The applicant shall obtain an easement from the City for access to the parking lot.

Please feel free to contact me with any questions or concerns.