

To: Douglas DDA Board

From: Lisa Nocerini, City Manager & Sean Homyen, Planning & Zoning Administrator/DDA

Date: February 19, 2025

Subject: 98 W Center St. Special Land Use - Ground Floor Residential - Recommendation to Planning Commission

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.

Background. The subject property, located at 98 W. Center St., was recently purchased. It is zoned as C-1 Village Commercial District and covers 0.21 acres (9,147.6 SF). This parcel is part of the Spencer's Add Block 1 Plat. The building currently contains the art gallery in the main floor, residential use on the second floor, and a storage area in the 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 as an art gallery. He 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 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 Short-Term Rental under Section 26.34 of the Zoning Ordinance. 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.

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.
- 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.
 - 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.
 - 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.
 - 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 insure the safety and privacy of residents.

(Amended October 19, 2009: Ord. #03-2009)

Recommendation. At the upcoming DDA meeting, the DDA members will review the Ground Floor Residential request and make a recommendation to the Planning Commission. DDA members should carefully consider the information presented in this report, as well as comments from the applicant and the public.

Suggested Motion. I move to recommend [approval/denial] to the Planning Commission for the request made by Erhan Kara for special land use approval for Ground Floor Residential, per Section 26.13 of the City of the Village of Douglas Zoning Ordinance, for the parcel identified as P.P. 59-551-002-00, located at 98 W. Center St.

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

**ARTICLE 10:
C-1 VILLAGE CENTER DISTRICT**

Section 10.01 Intent of C-1 Village Center District

The intent of this District is to maintain and enhance the vitality of the Village Center, provide services in close proximity to one another, reinforce the relatively intense development pattern of retail and service establishments on the ground floor with residential accommodations above, reduce the need for on-site parking by encouraging pedestrian and bicycle connections to and from the Village Center, and to expand the employment base and residential population of the Village Center. The compact development pattern of the Village Center establishes a pedestrian-oriented environment and stresses urban and civic design while encouraging the reuse of existing buildings. The District provides standards to reinforce the unique physical character of downtown and establishes minimum criteria for building design compatibility while promoting amenities necessary to attract business, residents and visitors.

Section 10.02 District Summary

<p style="text-align: center;"><u>A. Permitted Uses</u></p> <ul style="list-style-type: none"> ◆ Accessory Use, when accessory to permitted use ◆ Antique Store ◆ Art gallery ◆ Essential Public Services ◆ Library ◆ Museum ◆ Neighborhood Parks ◆ Office Building ◆ Outdoor Public Recreation ◆ Personal Service Establishment ◆ Professional Service Establishment ◆ Residential above Retail or Office ◆ Restaurant, Standard ◆ Retail Business or Retail Sales ◆ Showroom ◆ Studio for Performing/Visual Arts <p style="text-align: center;"><u>B. Special Land Uses</u></p> <ul style="list-style-type: none"> ◆ Animal Grooming, subject to Section 26.03 ◆ Buildings associated w/ Public Facilities, subject to Section 26.29 ◆ Convalescent or Nursing Home, subject to Section 26.11 ◆ Hotel, subject to Section 26.22 ◆ Movie Theater, subject to Section 26.23 ◆ Place of Public Assembly, Large, subject to Section 26.26 ◆ Private Recreational Facilities, subject to 26.27 ◆ Residential, Ground Floor, subject to 26.13 ◆ Schools subject to Section 26.31 	<p style="text-align: center;"><u>C. Site and Building Placement Standards</u></p> <p>Minimum Lot Area: 4,000 (square feet)</p> <p>Minimum Lot Frontage: 20 ft.</p> <p>Maximum Lot Coverage: 80%</p> <p>Minimum Setbacks:</p> <p style="padding-left: 40px;">Front: 0 ft</p> <p style="padding-left: 40px;">Side: 5 ft., except where a commercial building is placed directly upon the side lot line.</p> <p style="padding-left: 40px;">Rear: 5 ft., except where the rear yard abuts a side yard in a residential district the rear yard shall be 25 ft. The full width of a public alley between the rear yard of a lot and a side yard of a lot in a residential district may be considered part of the rear yard for setback computation.</p> <p style="text-align: center; margin-top: 20px;">(See Schedule of Regulations)</p>
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\$ 1000 Fee \$ 2000
ESLOW

APPLICATION FOR SPECIAL USE PERMIT/ HOME OCCUPATION
CITY OF THE VILLAGE OF DOUGLAS PLANNING COMMISSION

1. Name Erhan Kara-Kara Real Estate LLC
2. Address 98 W. Center St. Douglas, MI 49406 Po box 753
3. Phone Home 269-2688470 Work _____

? —

4. Legal description of property subject of request:
Lot 2 Block 1 Spencer's Addition
Lot size 66' x 132' = 8712 sqft; each floor is 1450 sqft.
There are 3 floors including ground floor in the back.

5. Street address of property subject of request 98 W. Center St. Douglas

6. Is applicant the owner of the property: Yes X No _____
If No, give name and address of the property owner

7. How is the property presently zoned? C-1

8. If you are requesting approval for a HOME OCCUPATION, please submit with this application the following information:

- a) The total floor area of the residence _____
- b) The area of the room or rooms of the house to be utilized in the conduct of the home operation. _____
- c) A sketch showing the floor plan and the area to be utilized in the conduct of the home occupation _____
- d) Describe the nature of the home occupation _____

Please note that all home occupations can only be approved subject to the limitations provided in Sec. 14.5 © of the Zoning Ordinance.

9. Unless already described in #8, give a brief description of the SPECIAL USE requested.
Short term rental of 4 units at the building.

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10. Is the SPECIAL USE, which you are requesting, provided for under CHAPTER 25 of the Douglas Village Zoning Ordinance? Yes

I certify that I have read and understand Article 25 - Special Use Procedures of the Zoning Ordinance and that all of the information provided herein is true and accurate to the best of my knowledge, information and belief.

Dated 01/28/2025

Application fee of ~~\$200~~ 3000.00 (\$1000 fee, \$2000 for escrow)

Signature of Applicant 

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A SUMMARY OF PLANNING COMMISSION ACTION

1. Date of Public Hearing, if one was held _____
2. Action taken by Planning Commission and date taken _____
3. Application was Denied for following reasons _____

02/02/2025

By Erhan Kara
Kara Real Estate LLC
PO box 753, Douglas, MI
Ph: 269 268 8470
erhan.kara@aol.com

To the respectable City of Douglas zoning administrator,
Douglas City planning commission and DDA,

This is a change of use application that I'd like to present here for the possibility of converting the residential and commercial units at the 98W. Center St to be used as short term rental properties.

Currently there are 2 units on each of the floors (upper and basement) that I am requesting to obtain short term rental permits. Main entrance floor is rented by Water Street Gallery in it's entirety, as well as the basement unit #1.

I have presented the drawing where I have designated 6 parking spaces at the back of the property for a total of 4 short term rental units. (Though only 3 units shall be used as STR within the next 3 years and the 4th unit shall be considered for STR depending on the future financials of the rentals.

This property was built in 2002 and the City of Douglas should have all the specs of the building related to the outside lighting, electrical boxes, utility placements, landscaping and the backyard parking area. No changes were ever made to it since it's inception in 2002.

PS: Currently the basement unit #1 that is rented by the Water Street Gallery does not have a bathroom built in. The space for it was designated but never realized in 2002. I am obtaining estimates from professionals for one to be built in.

File No./Escrow No.: 03-24932435-HOL
Print Date & Time: 01/21/25 10:24 AM
Officer/Escrow Officer: Christina Leathers
Settlement Location:
ATA National Title Group, LLC - Holland
324 N. 120th Ave., Ste. 20
Holland, MI 49424

ATA National Title Group, LLC
ALTA Universal ID: 1033513
324 N. 120th Ave., Ste. 20
Holland, MI 49424



Property Address: 98 W Center St
Douglas, MI 49406.

Borrower/Buyer: Kara Real Estate LLC, a Michigan limited liability company
311 Water St Apt 1121
Saugatuck, MI 49453

Seller: Retrogetaway, Inc., a Michigan corporation
P.O. Box 337
Douglas, MI 49406

Lender: Horizon Bank, 77 E 8th St, Holland, MI, 49423

Settlement Date: 01/21/2025
Disbursement Date: 01/21/2025
Additional dates per state requirements:

proof of building ownership

Description	DEBIT	CREDIT
Financial		
Sale Price of Property		\$880,000.00
Prorations/Adjustments		
Security Deposit Transfer	\$3,300.00	
City/Summer Taxes from 01/01/2025 to 01/21/2025	\$376.31	
County/Winter Taxes from 01/01/2025 to 01/21/2025	\$150.77	
January Rent Proration from 01/21/2025 to 01/31/2025	\$1,267.48	
Title Charges & Escrow / Settlement Charges		
Title - Owner's Title Insurance to ATA National Title Group, LLC - Holland	\$2,550.00	
Title - Settlement / Closing Fee to ATA National Title Group, LLC - Holland	\$350.00	
Commission		
Real Estate Commission - Listing to Century 21 Affiliated	\$17,600.00	
Real Estate Commission - Selling to Jaqua Realtors	\$22,000.00	
Government Recording and Transfer Charges		

BUSINESSOWNERS POLICY | NEW POLICY DECLARATIONS

Effective Date January 21, 2025	Policy Period (12:01 a.m. standard time) 01/21/2025 TO 01/21/2026	Policy Number BO-11589386
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Named Insured and Mailing Address:

KARA REAL ESTATE LLC
PO BOX 753
DOUGLAS MI 49406-0753

proof of building ownership

Payment Plan: **Full Pay**
Payment Method: **Manual**
Account Number: **1001955242**
Agent: **SPEARS AGENCY**
380 GARDEN AVE
HOLLAND MI 49424-8656
616-396-3333
aspears@fbinsmi.com



For 24-hour claim reporting, call 877-FBINSMI (324-6764) or visit our website at FarmBureauInsurance.com.

This policy is exempt from the filing requirements of section 2236 of Michigan's Insurance Code of 1956, as amended, 1956 PA 218, MCL 500.2236.

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following Coverage Parts. The premium may be subject to adjustment.

Description of Business

Business Type
MERCANTILE

Type of Legal Entity
LIMITED LIABILITY COMPANY

Description of Premises

Loc. No.	Location Address			Protection Class
1	98 CENTER ST, DOUGLAS, MI 49406-5284			3
	<u>Bldg. No.</u>	<u>Occupancy</u>	<u>Construction</u>	
	1	Mercantile	Frame Construction	
		<u>Roof Type</u>	<u>Year Roofing Replaced</u>	

Building Description: LRO - Mixed use

Property Coverage

Loc No.	Bldg. No.	Type of Property*	Valuation Method**	Limit of Insurance	Deductible	Windstorm or Hall Deductible	Building Annual Increase Percentage
1	1	Building	RC	\$ 736,000	\$ 1,000	N/A	8%
Art Galleries - Other Than Not-for-profit							

*BPP = Business Personal Property BPPY = Business Personal Property Permanent Yard Storage
**RC = Replacement Cost ACV = Actual Cash Value FV = Functional Valuation

PLSYCP00100003 - C00030356K000C

Date of this notice: 01-13-2025

Employer Identification Number:
33-2799506

Form: SS-4

Number of this notice: CP 575 G

For assistance you may call us at:
1-800-829-4933

KARA REAL ESTATE LLC
ERHAN T KARA SOLE MBR
PO BOX 753
DOUGLAS, MI 49406

proof of ownership

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 33-2799506. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

Taxpayers request an EIN for their business. Some taxpayers receive CP575 notices when another person has stolen their identity and are opening a business using their information. If you did not apply for this EIN, please contact us at the phone number or address listed on the top of this notice.

When filing tax documents, making payments, or replying to any related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear-off stub and return it to us.

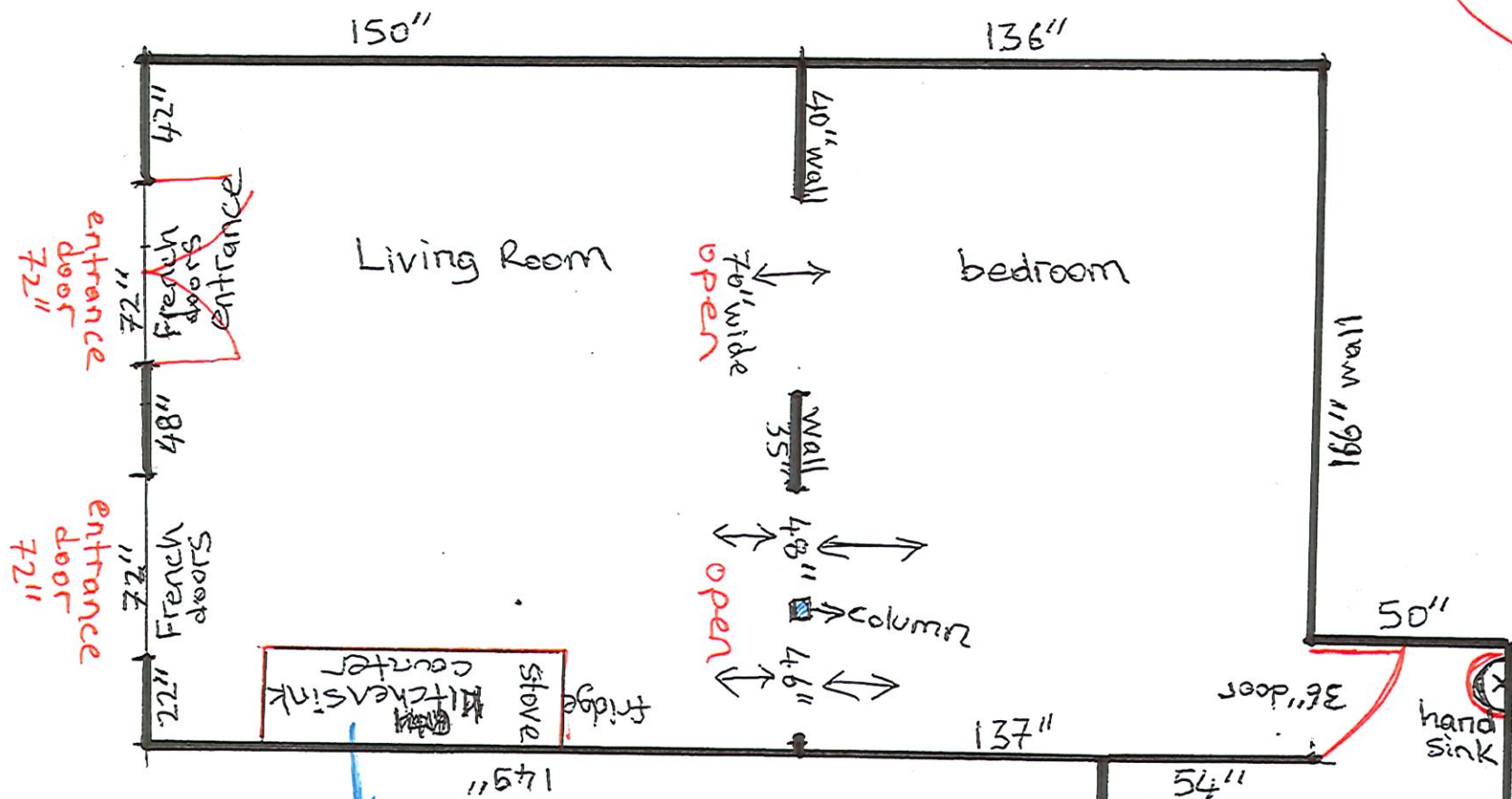
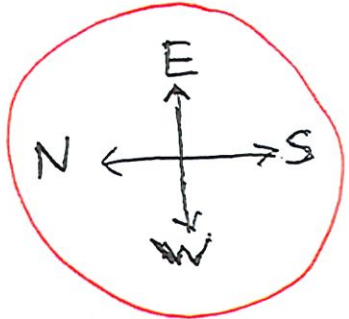
A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have a computer, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

Kara Real estate LLC

EIN # 33-279 9506

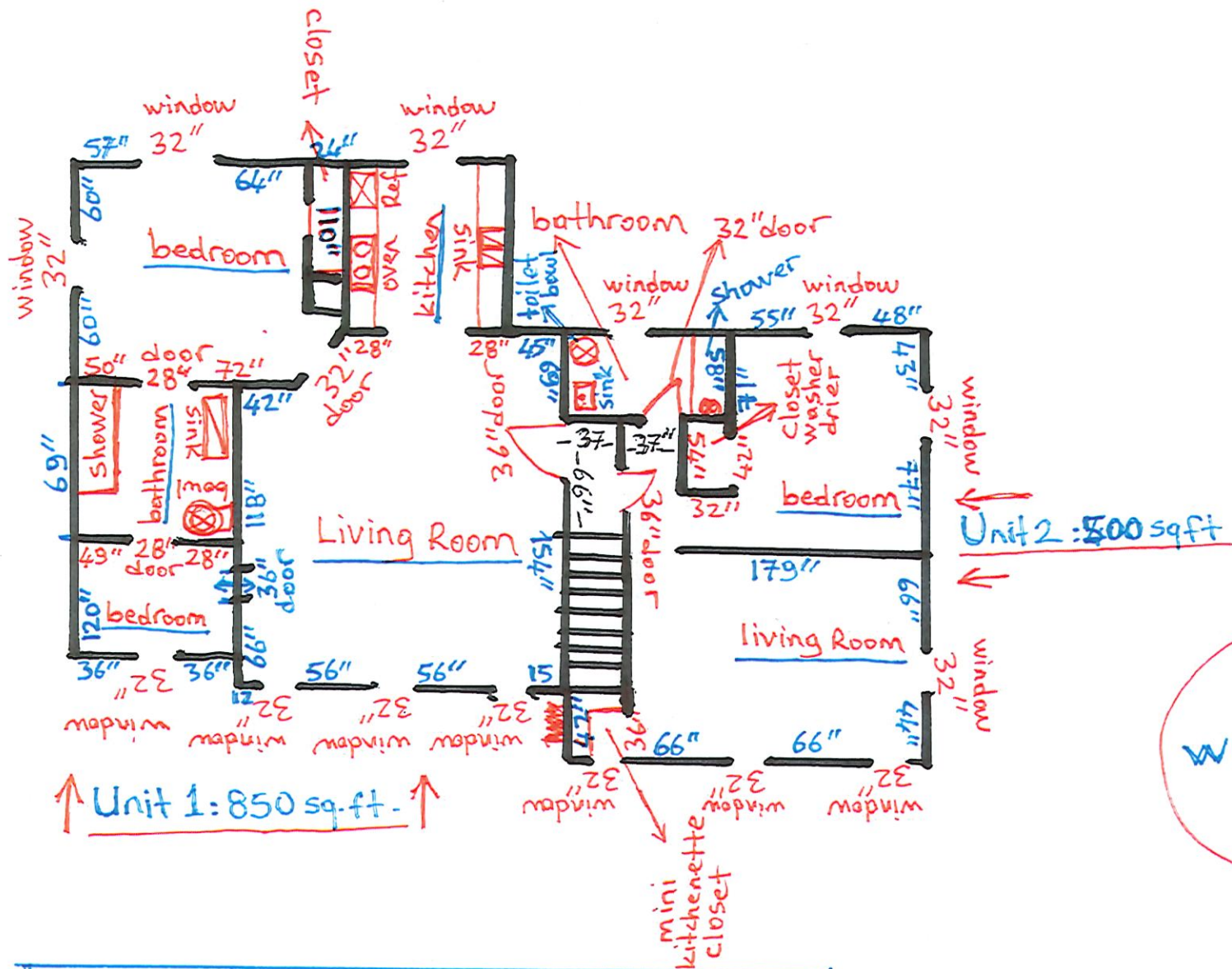
Erhan Kara
owner



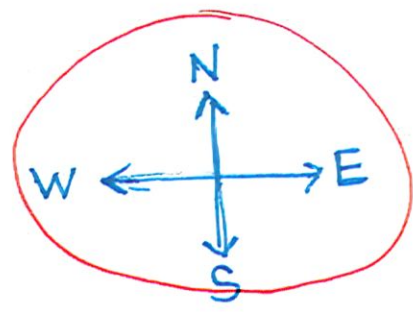
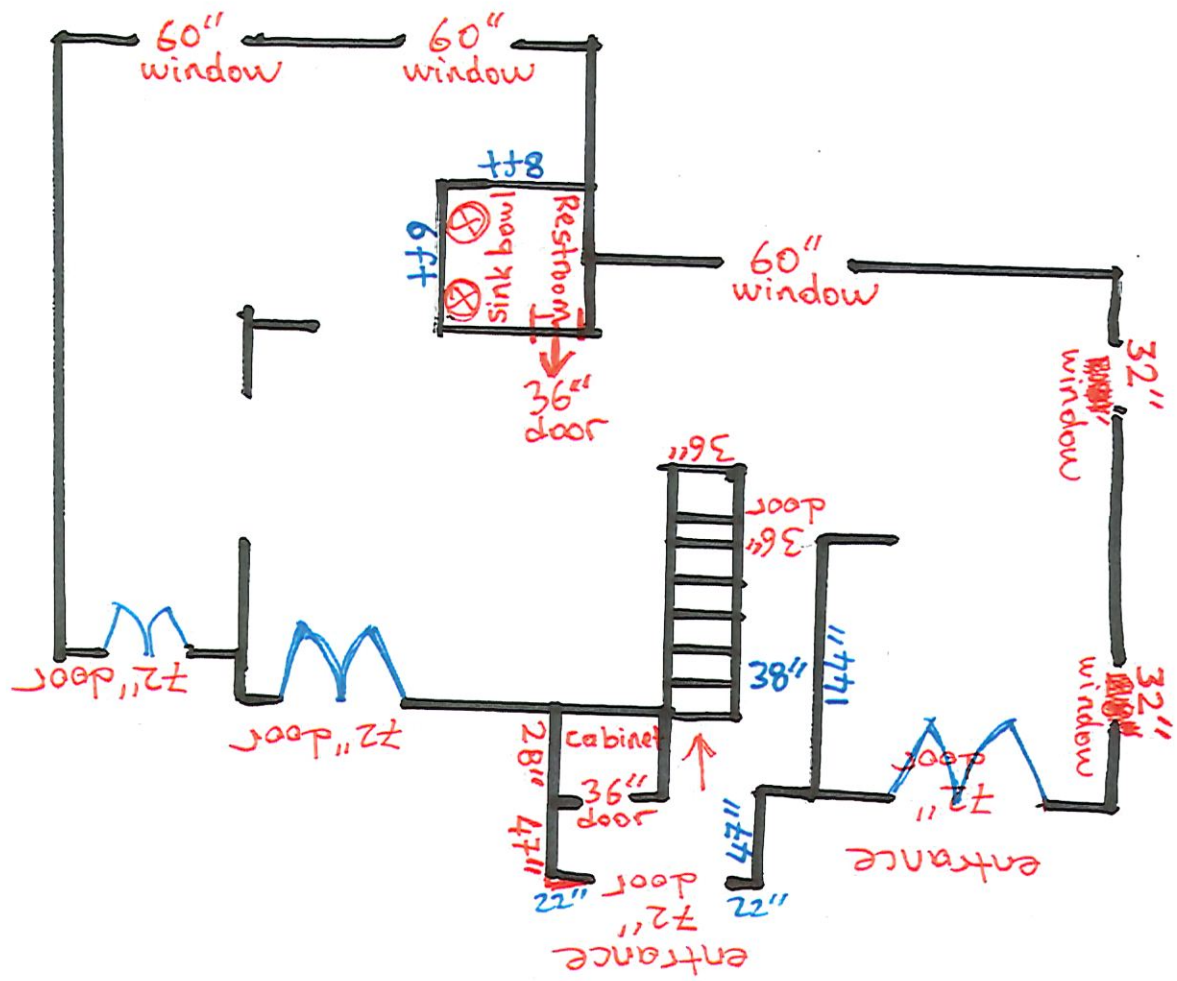
planning to build the fixtures in this space upon to the approval of the STR permit.

planning to build the fixtures in this room upon the approval of the STR permit.

Lower level Apartment # 1 600 sqft.
 * Currently used as an Art store by the Water st. Gallery for the foreseeable future as a 3 year lease.

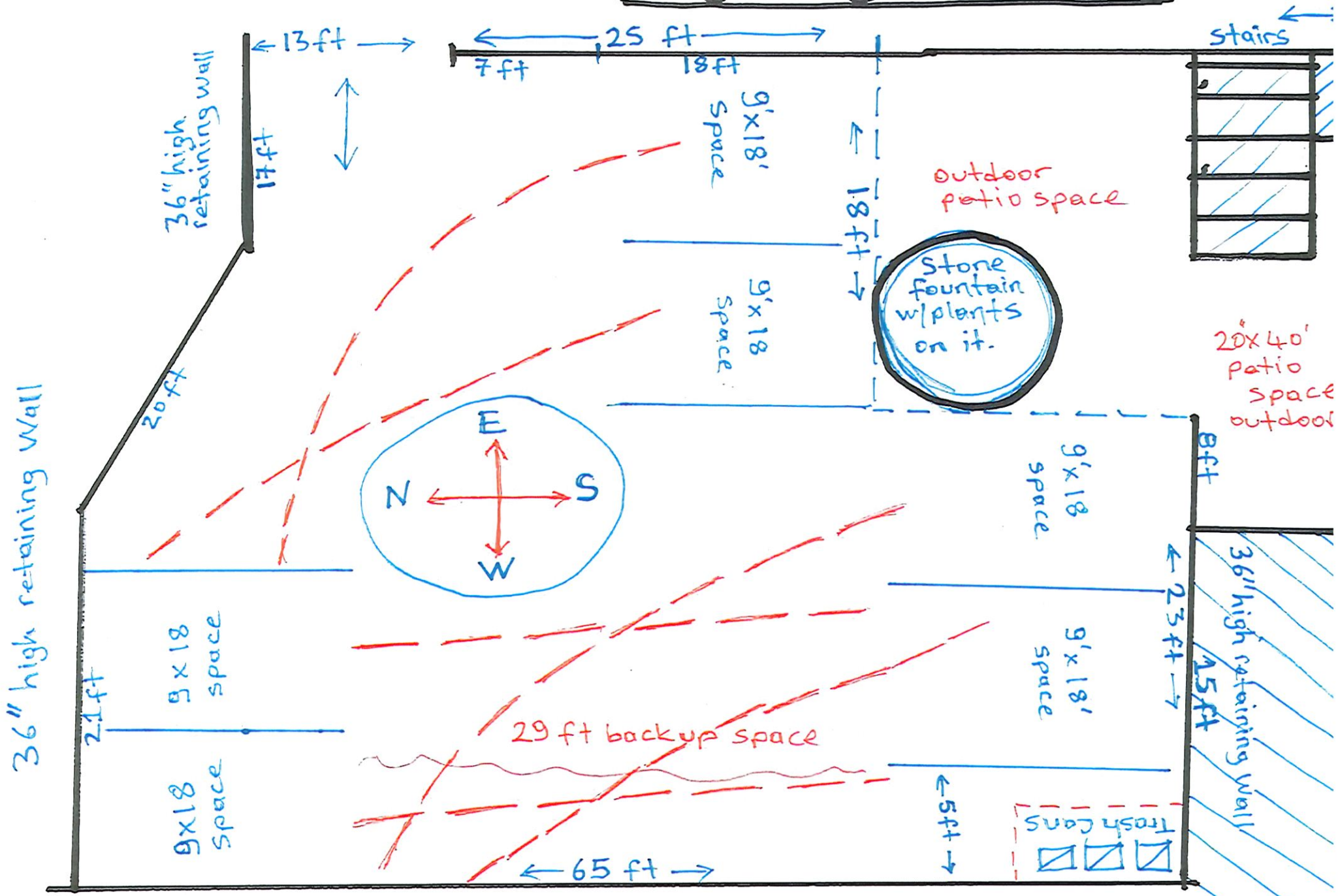


"Upper Floor Plan for 2 units"
98 W. Center St. - Douglas



"Main Floor Plan 1450 sqft"
 Center street level.
 Currently occupied by Water st. Gallery.
 98 W. center st. Douglas

Douglas City Hall building



98 W. Center st. Douglas
Backyard parking space

36" high retaining wall

← 132 ft →

fence

3 ft retaining wall around

FENCE

21 ft
9x18
9x18

3 ft
20 ft

13 ft opening
entrance

20 ft

4 ft 52

9x18
9x18

Trash

65 ft

9x18
9x18

9x18

23 ft

Large
planter

98

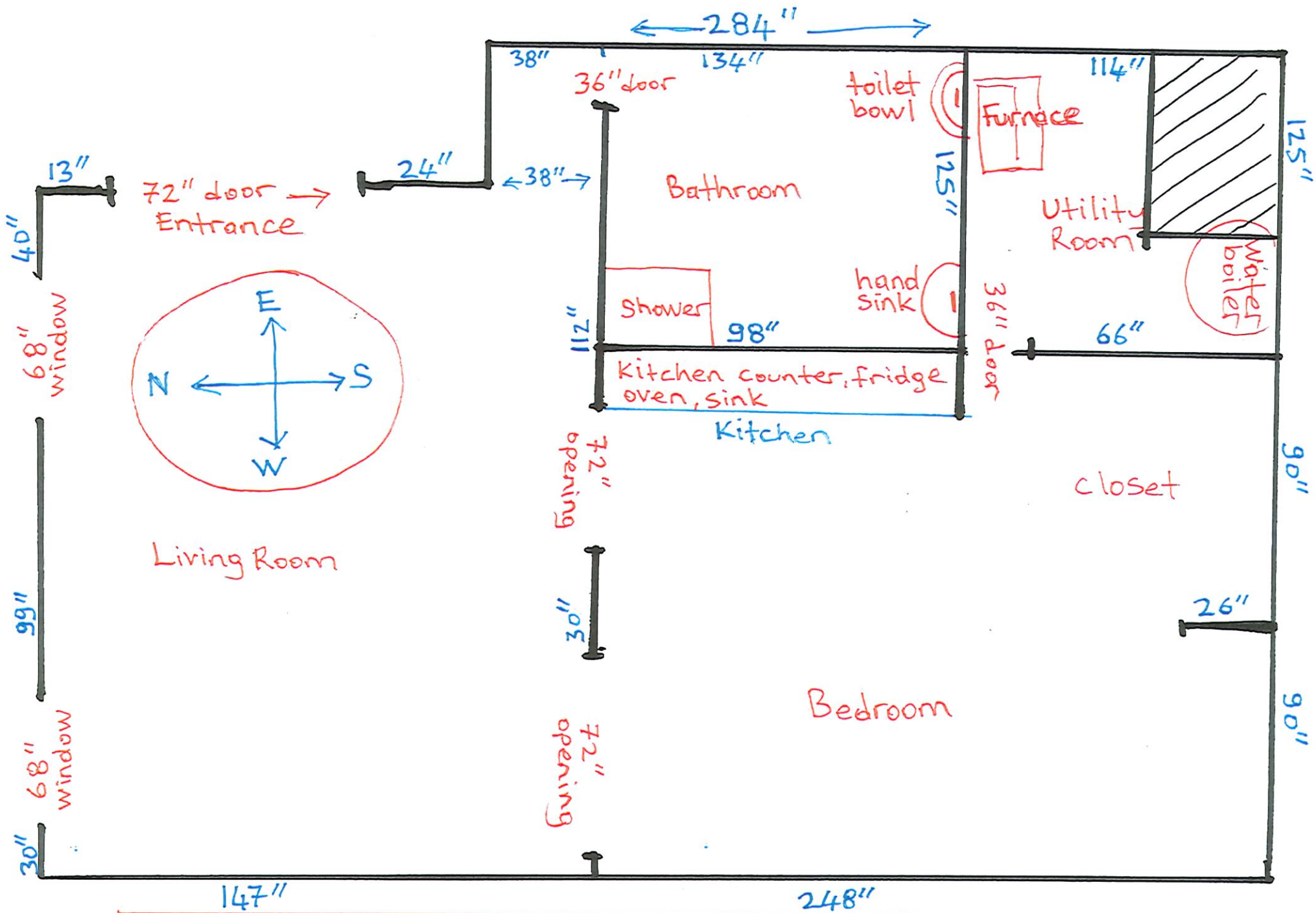


98 W Center St



View





"Lower Level Apartment #2, 950 sqft"