

PLANNING AND ZONING COMMISSION
Public Hearing

4:00 P.M.

Wednesday, September 4, 2024

Present: Steve VanHouse
Richard DeRosier
Wade LeBlanc
Nelson French
Gary Thompson

Excused: Mike Johnson

Lana Fralich, City Administrator
Tim Costley, City Attorney
Joe Rhein, City Engineer, Bolton & Menk
Rick Evans, Northshore Journal
Carolyn Hudyma Janey Knaffla
Marcia Oates Wendy Jensen
Chuckie Knudson

VanHouse called the Public Hearing to order at 4:00 p.m.

VanHouse described the purpose for the hearing is to receive public comments on the proposed changes to the City's Chapter 12 Zoning Code.

VanHouse explained to the public that this public hearing is only to discuss the Chapter 12 Zoning Codes.

VanHouse explained that the Planning and Zoning Board will open the hearing up for public comments, take comments, and then adjourn the Public Hearing. The Regular meeting will immediately follow the Public Hearing at which time the Commission will make a recommendation to the City Council to accept or deny the proposed zoning code changes.

**Proposed Change to Chapter 12, Zoning, Section 1210.01 Zoning Districts
Established, Section 1210.10 Forest Reserve to Clean Up Duplication and Clarify
Short Term Rentals as Interim Use-**

City Attorney Costley explained that this started with reviewing the proposed golf course zoning, which is tied in with short-term rentals, and while reviewing the current zone for the FR District, which has short-term rentals, a lot of duplications were noted. The proposed changes are to clean up duplication and clarify, for the entire city, be it FR or Golf Course, that short-term rentals are considered interim use by definition. He further explained that an interim use is a zoning that a city grants to do a certain activity and revocable at any time versus a conditional use that becomes recorded on the property. The same interim use language has been put in the Golf Course Subdivision.

Chair VanHouse confirmed there were no written comments received.

Julie Jensen asked if this was just giving an explanation, not saying open rentals will be allowed everywhere.

Chair VanHouse stated they are actually allowable in one district in the City right now, up to a maximum of 6, which is Bayview Park and some Forest Reserve. But this is cleaning that language up to spell out that they are an interim use.

Nelson French stated that he believes there is no limit of VRBO's in Bayview Park District but there is a limit of 6 in Forest Reserve.

Carolyn Hudyma asked for clarification of number allowed is always 6.

Zoning Administrator Thompson explained the area around Mount Rockwood being zoned FR and is limited to 6.

Chair VanHouse stated the other area that Member French was talking about is the Boathouse Bay area, due to the nature of what could be there, not necessarily unlimited but has more density of them in that area.

Ms. Hudyma further asked if there would be discussion on capping vacation rentals at the Golf Course. Chair VanHouse stated yes, when the Board gets to the additional public hearing items, and that the current topic relates to clarifying language in the code to spell out they short-term rentals are considered interim use and not a conditional use, as explained by City Attorney.

Member DeRosier stated confusion relates to the short-term rental application goes through the conditional use permit process, but the short-term rentals are interim use and can be taken away at any time. Attorney Costley advised there is not a requirement for an interim use to apply through a conditional use, and to avoid the extra steps, and that many city's leave it up to the Administrator to issue a permit if the application is complete and a permit is available, and that it is an added layer to the applicant for the Planning and Zoning Board to take a look at every application.

Chair VanHouse asked if there were any other comments or questions regarding the proposed change to Chapter 12, Zoning, Section 1210.01 Zoning Districts Established, Section 1210.10 Forest Reserve to clean up duplication and clarify short term rentals as interim use. There were no further public comments or questions.

Proposed New Zoning District Chapter 12, Zoning, Section 1210.14 for Silver Bay Golf Course Residential-

Chair VanHouse explained the proposed new zoning district, Chapter 12, Section 1210.14 for Silver Bay Golf Course Residential, is for city-owned property of approximately 60 acres, with potentially 37 residential lots, that zoning changes would be required.

Carolyn Hudyma asked for clarification regarding residential lots, meaning no vacation rentals. Chair VanHouse stated that this comment period refers to the proposed zoning district, Silver Bay Golf Course Residential, and the rules, setbacks, heights, etc. like all zoning within our community.

Wendy Jenson asked if this was the first step in determining what to build or not. Chair VanHouse answered yes, and explained what can be built and where it fits. There is no city water so there will be wells and septic and the lots are larger than normal city lots and that why zoning needs to be addressed differently. It was noted that the Planning & Zoning Administrator Thompson and Member French have worked together to create the proposed setbacks and code language for the new zoning district, which was reviewed by the commission at the last meeting and no major changes were noted.

Member French stated the Golf Course Residential is modeled after the Forest Reserve District, which is another large lot district. The Golf Course lots will range from 2 to 10 acres. as opposed to minimum 5 acres, so there needed to be a special zoning district so that the design fits in with the landscape, and that this section is for deciding the limitations and classic zoning codes.

Wendy Jensen clarified there are no roads in the golf course district only trees.

Member French stated that should this be approved, once the zoning district is set then a plan for how the area can be used will be developed, although this clearly states that wells and septic are required, due to no city water or sewer planned to be extended.

Janey Knafla asked if the city street department will be responsible for plowing, since there are wells and septic. Chair VanHouse stated that that is more of a question for City Council, but could be because it is within the city. Member DeRosier stated he didn't recall any mention of HOA and believes it will be city responsibility to plow. Member French stated he believed it would be city infrastructure, that this area is not the only area within the city that has wells and septic's. Wendy Jensen asked where other areas were. Chair French responded the Rockywall development does not have public water or sewer.

Mayor LeBlanc questioned calculation proposed, such as having a 16,000-sq foot lot with 1500 square foot home, the garage can be 2500 square foot which would 20% coverage of lot. Discussion followed regarding changing to 25% to allow a bigger garage or storage shed.

Chair VanHouse asked if there were any other public comments. There were none.

Proposed Revisions to Chapter 12, Zoning, Section 1239 – Short Term Rentals, Subd. 5.D.1 by adding a Golf Course Residential Cap and Clarifying Short Term Rental Permits Limited to Golf Course Residential, Forest Reserve, and Bayview Park Districts-

Chair VanHouse asked to limit discussion and keep to public comment for discussion on short-term rentals, commission will have an opportunity to discuss when public hearing is adjourned and Planning & Zoning meeting starts.

Chair VanHouse asked if there were any public comments.

Carolyn Hudyma expressed her concerns relating to vacation rentals in the area. She is against them because they are exempt from school levies, so they don't support the school district; that higher end vacation rentals result in properties being appraised at higher amounts, which then impacts surrounding properties being sold for higher amounts, that she feels it discourages young working families from moving into the area for affordable housing which impacts the small businesses who say they can't find anyone to work; and concern for a divide between the areas within the city with VRBO's having an economic advantage where somebody that can build a high end home and somebody in town, who might want to make a vacation rental or mother-in-law apartment above their garage or in their basement, is unable to because the city is protecting the town from vacation rentals and feels that is unfair.

Marcia Oates asked if vacation rentals were built in Golf Course subdivision would they be single occupancy.

Wendy Jensen expressed her concerns regarding the school levy and everyone that lives within the city limits pays into school levy, and questioned what vacation rental homeowners pay into it. Member VanHouse replied that it is a little misleading because the people that own vacation rentals or vacation properties and out of district do not pay, but legislature is working on changing it. Carolyn Hudyma stated that aside from the legislature, the community needs to address that because there are large corporations investing in real estate and their whole purpose is to make as much money as they can make. Economically that is a good thing but questioned if it is a good thing for the working class families and retirees that live here. Chuckie Knudson, at one time vacation homes were taxed higher all across the state but that changed at some point. Chair VanHouse stated that there was a court case regarding vacation rental taxes.

Marcia Oates urged to be cautious on initial number of permits allowed because they can be increased over time.

Wendy Jensen asked if the language states 6, and that she would like to see it less. Member French replied that it is 6 in Forest Reserve, and the proposed number currently in the language is 10 that could be short-term rentals, thru an approval process.

Marcia Oates asked if lot size would have any impact on vacation rentals being built.

Chair VanHouse asked if there were any additional questions.

Wendy Jensen asked what kind of plan needs to be done and when building would begin. Chair VanHouse stated that the zoning has be accepted or denied, Council has to review and if accepted, then plat would need to be approved, and then find developers.

Janey Knaffla asked if there would be more public meetings. Chair VanHouse replied that there would be a public hearing on the plat, that the Planning & Zoning Commission wanted to get the zoning done so the Council and the public know what the Commissions' thoughts were on what the zoning and to lay the ground work for developing.

Chuckie Knudson expressed her concern regarding the raising of taxes and a relative who had to sell and move to another community because couldn't afford to live in city. She asked the commission to keep that in mind when they are planning projects.

Chair VanHouse asked for any further questions or comments. VanHouse called for final comments or questions. No additional comments received.

Motion by LeBlanc, second French to adjourn at 4:37 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson