

## PLANNING AND ZONING COMMISSION

4:00 P.M.

Wednesday, September 4, 2024

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

Excused: Mike Johnson

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

VanHouse called the meeting to order at 4:41 p.m.

**Agenda** – Motion by LeBlanc, second French to approve the Agenda as presented.  
MOTION CARRIED.

**Approval of Minutes-** Motion by DeRosier, second French to approve August 7, 2024 Public Hearing and August 7, 2024 Regular Meeting. MOTION CARRIED.

**Zoning Administrators Report** –.Current permits for deck, fences were reviewed, no new home or garage permits.

**Communications** – None at this time.

### OLD BUSINESS

**Accept or Deny 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-**

Public hearing was held prior to the meeting relating to 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. French pointed out under Subdivision 2, Special Requirements, he feels it is redundant to have a conditional use permit is required. City Attorney Costley state he will strike that sentence out, as well as under I “clear cutting of trees and shrubs not permitted within 100 feet of adjoining property, within the road right of way, or within required setbacks”, and removing “scenic area.” It is consistent with what has been done in the Golf Course Zoning. No other discussion. Motion by LeBlanc, second French to make

recommendation to City Council, with changes suggested, to accept 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. MOTION CARRIED.

**Accept or Deny Proposed New Zoning District chapter 12, Zoning Section 1210.14 for Silver Bay Golf Course Residential-** Public Hearing was held prior to the meeting relating to the proposed new zoning district Chapter 12, Zoning Section 1210.14 for Silver Bay Golf Course residential. It was noted that there is a number of 10 short-term rentals. Member DeRosier made a motion to accept the new zoning district proposal with number of permits to be determined during the next discussion regarding setting cap on short-term rentals. City Attorney Costley advised the Commission to come to a decision during the current discussion. Member French stated that in discussions with Planning & Zoning Administrator Thompson everyone should be given the opportunity to operate a VRBO at the Golf Course. Thompson stated that the reason he said that is because there are big lot sizes, high valuation, high costs to build, and suggested that if it is a 5 acre lot a VRBO can be built on it and not bother anybody, that he personally doesn't see local homeowners selling and building there, he feels it will attract more vacation home owners who can rent out the home as short term rentals. Carolyn Hudyma expressed concern that homeowners in the Golf Course can build a home with the idea that VRBO can help them pay for it but in town there is no help to pay for purchasing it. Thompson stated that the property lines in town are very close to one another, in the Golf Course area the lots are big and nobody is bothered. Commission needs to decide either none or all lots are allowed short-term rentals. Mayor LeBlanc asked to keep in mind that renters will spend money on golf which will keep the rates down for local people, possible increase revenue for the golf course, believes that a short-term rental pays more tax than a vacation home, if ten are allowed there would be 27 other lots that would not have short-term rentals, that there is nothing saying they have to be short-term rentals, gave an example of the current FR zone timeframe for allowing short-term rentals and only one permit issued, and that he feels in certain areas short-term rentals can benefit the community and not be detriment to it. Carolyn Hudyma feels there is a discrepancy to people who want to buy homes in town as an investment and rent out as a vacation rental. Mayor LeBlanc stated that with a smaller lot you don't want short-term rentals so closely next door, but to live in it is accomplishing what you want in affordable housing. Carolyn Hudyma stated what about a mother-in-law apartment, homeowner is there and responsible for whoever is staying there, and wondered if could be a policy where you can have a vacation rental if it on homestead property and you are renting out a small portion of it. Mayor LeBlanc answered that you could rent out for thirty days. Chair VanHouse stated that it is a controversial issue and many sides to it and the council will make the ultimate decision but there are three choices; zero, limited number, or all and a decision has to be made. VanHouse further reminded the public that it is an interim use and it has to be determined if it is a fit for the area. Carolyn Hudyma asked if before the decision is made can there be a town hall meeting. Mayor LeBlanc stated that when people apply for permit, many conditions can be placed and permit can be revoked at any time to protect neighbors. Wendy Jensen asked what the golf course thinks about a

development and concern there not be room for the citizens to play. Mayor LeBlanc stated they are fine with it and want more people to play because extra people playing is a nice bump for the golf course. French stated that he understands the concerns but after conversations with Thompson and knowing that this is an interim use, approved and controlled by the city and revocable at any time, he doesn't feel there is any reason to place any limit on that location where there is a potential for 37 homes. Motion by French to remove limit of short-term rentals in the Golf Course Subdivision, motion failed due to lack of second. City Attorney Costley recommended to think about and consider if there are going to be ten permits to possibly put them on one side of plat vs. scattered due to avoid having to change zoning if an 11<sup>th</sup> person comes in and the possibility of getting sued by the ten existing short-term rental owners and that he felt the market will determine what it will be based on who is going to develop it. Motion by French, second LeBlanc to remove limit on short-term rentals and correct the percentage to 25%. Chair VanHouse asked for further discussion. DeRosier is against VRBO's and understands the concerns regarding allowing them in city, a compromise was reached to allow for six in certain zones and has not been an issue yet. Any development in Golf Course will be nice homes and he feels most will want to VRBO them. Wendy Jensen asked why a decision had to be made right now, why not wait until a developer comes in and says what he wants. French stated that by not allowing in the core of Silver Bay, it is keeping the integrity of the core protected. He feels let the landowners or developer decide. LeBlanc rescinded his second on previous motion and would like to cap at ten. Chair VanHouse stated that there is no developer right now but one is needed. Commission needs to decide if there will be 10, 37 or none, his opinion is it is easier to say nothing now and go with what the developer says. It might be better to error on the side of caution and use the developers' expertise. LeBlanc stated that if a developer does not go in there to develop then it gives someone who just wants to build a home an option.

City Attorney Costley reminded the Commission of the infrastructure and the whole plat set up. VanHouse stated that the area needs to be plated, streets and roads put in, and then sell the property. Janey Knaffla asked if it is the city's responsibility to put in the money for the new streets and if so, felt that would be bad if the new street at the golf course was paid for before fixing the city streets. Thompson explained that typically someone will pick up the project, put streets in, and then provide the streets to city if they meet requirements. French then suggested allowing 18 permits. DeRosier suggested the motion be open ended, follow the recommendations of developer. French motioned to keep the language at 10, which gives any developer who has interest of moving forward and have a discussion if they are interested in all 37 and go thru the approval process. DeRosier asked for clarification regarding short term rentals exempt from school levies; if a rental they pay taxes but if a vacation home they are exempt. Administrator Fralich clarified that property taxes and school referendums are different, that everyone pays certain property taxes but not everyone votes on referendums, also that most developers want to do short-term rentals so it lowers the risk of having to change zoning if all were permitted, that it gives locals a chance to be able to afford to build at the Golf Course and rent out if needed to help pay for the home. Fralich further commented that allowing short term rentals it makes it more attractive to potential developers, that it could generate more money for the golf course which would help

eliminate the need to levy for the golf course. Motion by French, second LeBlanc motioned to move forward to allow short-term rentals on all sites, without any restrictions under conditions, and increase size to 25% and make recommendation to the City Council to accept the Proposed New Zoning District chapter 12, Zoning Section 1210.14 for Silver Bay Golf Course Residential. Discussion followed regarding reduced rates for local golfers, creating the proper wording, the current high expenses to build homes, concern regarding the public understanding why they are going to allow short-term rentals, board being pushy, and public not liking it. Chuckie Knudson suggested listening to the city attorney who stated to leave it open and let the developer decide. Janey Knaffla expressed concern regarding holding a public hearing where most of those attending was against it but board doesn't follow what public wants. VanHouse stated the reality is short-term rentals will happen. French stated that they have been listening to others in the community and not just the five at the meeting. MOTION CARRIED with VanHouse voting against. DeRosier suggested the board find a way to explain to the public why there will be short-term rentals allowed. French feels that the city is handling the issue of short-term rentals very smartly.

City Attorney Costley left meeting at 5:30 p.m.

**Accept or Deny Proposed Revisions to Chapter 12, Zoning Section 1239 – Short Term Rentals, Subd. 5. D.1 by Adding a Golf Course Residential District Cap and Clarifying Short Term Rentals permits Limited to Golf Course Residential, Forest Reserve, and Bayview Park Districts-** Public Hearing was held prior to the meeting relating to the Proposed Revisions to Chapter 12, Zoning Section 1239 – Short Term Rentals, Subd. 5. D.1 by Adding a Golf Course Residential District Cap and Clarifying Short Term Rentals permits Limited to Golf Course Residential, Forest Reserve, and Bayview Park Districts. Motion by French, second DeRosier to delete sentence “and ten” in the Golf Course subdivision, six allowed in Forest Reserve district language, Golf Course and Bayview Park districts are exempt from permit cap and make recommendation to City Council to accept the Proposed Revisions to Chapter 12, Zoning Section 1239 – Short Term Rentals, Subd. 5. D.1 by Adding a Golf Course Residential District Cap and Clarifying Short Term Rentals permits Limited to Golf Course Residential, Forest Reserve, and Bayview Park Districts. MOTION CARRIED.

**Golf Course Subdivision-** Joe Rhein, City Engineer provide a review of updated plans that were submitted, some of the major items of concern were trapped water, deep ditches, guardrails or protection will be needed, that he had not had a chance to review the plat, and once he does he will provide a report to City Administration. Discussion followed regarding city code compliance, cul de sacs, emergency access, ditching, and curbs.

**Zoning for Cannabis-** City Administrator updated the Commission regarding a public hearing held by the City Council to place a moratorium on cannabis to allow some time for zoning and plan for what needs to happen, that the process has to be done by the end of the year, that the County is working on an ordinance itself with allowing 1 permit for every 12,500 people and is seeking city decision on what it plans to do plus allowing municipalities to have a store, and that laws are currently not in place. Discussion

followed regarding where business could be allowed, zoning requirements, municipalities offering permits, and other decisions needed to be made so timing is of the essence.

NEW BUSINESS – Nothing at this time.

Motion by LeBlanc, second French to adjourn at 6:20 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson