The meeting was called to order at 6:30 pm by Chair Jo Thompson.

Present: Jo Thompson, Wayne Dahlberg, John Schifsky, Jerry Hauge, Larry Zanko, Liz Strohmayer and Dave Edblom.

Absent: No one.

Also present: Sue Lawson, Planning Director and Rolf Carlson, Town Board liaison to the Planning Commission.

The agenda was approved as presented.

**Jordan Short-Term High-Frequency Rental CUP Hearing**

Sue introduced the hearing and the process for the hearing.

Brent and Brenna Jordan have applied for a conditional use permit for a high-frequency short-term rental at their property at 1690 Aho Road. The property meets all of the dimensional requirements for FAM-3 except for the setback of the house from Aho Road. The house is 75 ft from the road, so it is a non-conforming structure. She showed the vicinity map and the site photo. The hours of operation are expected to be 3 pm check-in and noon check-out, although times will depend on the guest reservation. There will be up to 8 guests with 1-3 vehicles per day and a caretaker every other day. Brent said that there is one bedroom on the main floor and space for up to four more bedrooms upstairs. They would probably only use the two bigger rooms upstairs as bedrooms. There would be two people per bedroom. He said they could accommodate 6 to 8 guests. Brenna said that would include using a futon or hide-a-bed.

Dave asked what the septic capacity is. Brent said that it is an at grade mound system that was put in by Warren Peterson in 1999. It is rated for 3 bedrooms.

They do not anticipate any increase in traffic over what a single-family house would generate. There is adequate parking. They do not anticipate having a sign.

As for activities at the rental, Brenna said they would expect people to use it primarily as a base for activities in Duluth and Two Harbors. They do not have plans for a fire ring at this point and would agree if the Commission preferred that there not be one. Noise is not anticipated to be a problem. The only outdoor storage will be for the propane tank for heat. There are no wetlands that would be impacted. Wastewater will be handled by the current septic system and the water supply is from a well. Waste disposal will be local garbage disposal service.

For the community participation report, the Jordans sent a letter, on January 9, to the neighbors identified within the notification area. Brent said they sent letters because they didn’t have phone numbers and didn’t want to bother people. The only response they got prior to submitting the report was from Warren Peterson stating that he supported their proposed use of the property. Since then, they received an email from Warren Korri supporting the proposal. Brent gave a copy of the email to Sue and she read it aloud.
Wayne asked if they were living there. Brent said that they are not living there now and don’t plan on living there while they rent it. They live in Duluth, but live within one half hour of the rental so are able to meet the required response time.

Wayne asked if there will be someone there to receive guests when they arrive. Brenna said that they will provide a code to get in. If the guests need something, they would come out. Wayne asked if they have other short-term rentals. Brenna said that they did not. Wayne said that it seemed that there could be a potential increase in traffic as a result of the rental. With 3 bedrooms there is a potential for 3 vehicles. Brenna said that their most recent renters at the home were four single guys, each with a car, and before that a family with kids with two cars. When they lived there, they had kids and went back and forth to Duluth and Two Harbors a number of times a day, so they wouldn’t expect that traffic would be more with this use.

Liz asked about the exact number of bedrooms plus additional sleeping arrangements they planned for. She was concerned that sleeping arrangements are safe. Brenna said that when they lived in the house they did foster care, so it has been inspected by the fire marshal and by the County. They would probably lock the basement bedroom since there is no egress and use it for cleaning supply storage. There are three bedrooms and a big dormer upstairs. VRBO requires that there are pictures of the sleeping arrangements. Brent said that a reasonable cap for the rental would be 8.

Sue asked about septic ratings. If the septic is rated for three bedrooms, does that mean two people per bedroom, so it would be rated for 6 people?

Dave said that the calculation is for 150 gallons per day per bedroom. But the actual amount of water used can vary a lot.

Public Testimony

Bruce Aho spoke. The proposed short-term rental is fine with him. The only concern he has is that he does not want anyone infringing on his property. He does not want to have to put signs up to keep people off of his property. He would appreciate a sign for the rental at their driveway so he doesn’t have people going past it and having to turn around in his driveway. He asked if they were planning on allowing pets. Brent said they planned on a no pet policy.

End of Public Testimony

Sue explained the difference between an interim use and a conditional use. She read the criteria for interim use.

Dave moved to hear the request as an interim use. Liz seconded.

Jo said that the Commission has typically only issued interim use permits for short-term rentals because there is a higher potential for problems with them. Many communities only allow short-term rentals as an interim use. Sue said that research and experience has shown that the success of short-term rentals is dependent on the owners. An interim use allows time to evaluate how well the rental fits with the neighborhood. Brent asked if they could apply for a conditional use after the initial interim use. Sue said that they could, but it is possible that the Commission may not grant a CUP and may consider granting an interim use that remains in effect until the property is sold. Or they may not grant either. This is on a case by case basis. Brenna said that the house is
special to them and they don’t want to sell it. They want to continue to be able to use it for themselves and their family.

The motion passed unanimously.

Liz made a motion to approve the interim use. Larry seconded.

Liz made a motion to split the motion. Larry seconded. The motion passed unanimously.

Sue read the 12 criteria that must be met in order for an interim use to be approved. The Commission will consider the criteria one at a time.

Larry made a motion that the proposed use is consistent with the Comprehensive Plan and within the spirit and intent of the Ordinance because, as the applicant noted in their application, the use is consistent with the Tourism portion of the CLUP. The CLUP encourages 1) “tourism activities that complement and do not detract from the community’s historic and rural character;” 2) “Support a broad range of recreational activities on public lands outside the North Shore Corridor;” and 3) ”Support low impact recreation activities, such as hiking, cross-country skiing, and wildlife watching, kayaking and canoeing in the management of North Shore corridor public areas.” Jerry seconded. The motion passed unanimously.

Dave made a motion that the use is compatible with the existing neighborhood because it will continue to be used as it would be as a home. Jerry seconded. The motion passed unanimously.

Liz made a motion that the use will not impede the normal and orderly development and improvement in the surrounding area of uses permitted by right in the zone district because the location has been used as a long-term rental and there will not likely be negative impacts using it as a short-term rental. Dave seconded. The motion passed unanimously.

John made a motion that the location and character of the proposed use is consistent with a desirable pattern of development for the area because there will not be an increased number of vehicles on the road and they are not doing anything that would compromise or alter the character of the neighborhood. Larry seconded. The motion passed unanimously.

Jerry made a motion that criteria 5 thru 8 are not applicable. Liz seconded and added that there will be no new construction or development so there will be no alterations to wetlands, impervious surfaces, topography, etc. The motion passed unanimously.

Larry made a motion that there are adequate utilities on the site. There is a well and a septic that is rated for 3 bedrooms. Liz seconded.

John asked if they have ever had difficulty with the septic freezing. Brent said that the alarm went off once after an extended cold spell and he had to re-situate the float but that it was not a big problem. John said that they probably won’t have people there every night during the winter – are they confident that the septic will continue to work even though there won’t be water flowing into it? Brent said that the home is not occupied now. He has put a heater in the last tank of the septic system and has not seen any indication that it is frosting or freezing over. They have never had a backup.
The motion passed unanimously.

John made a motion that the proposed use will not create significant potential health and safety, environmental, lighting, noise, signing, or visual problems because the structure and supporting elements have been there for 15 years and there is no record of difficulties with it. Dave seconded. The motion passed unanimously.

Jerry made a motion that the location of the site is appropriate with respect to existing or future access roads because there is no additional access required. Larry seconded. The motion passed unanimously.

Larry made a motion that the demand for public services, such as police and fire protection, road maintenance, sewer and water facilities, etc. would not be increased by the proposed use because the applicant has demonstrated that it will meet safety needs. The road is plowed and there is existing police and fire services and there is garbage service. Liz seconded.

Wayne noted that it is being heard as an interim use in the event that there are issues that demand increased protection.

The motion passed unanimously.

Jerry moved that a condition be set that the interim use be granted for a period of 24 months beginning March 1, 2019. Liz seconded. Jerry amended the motion to say ”24 months or until the property changes ownership, whichever comes first.” Liz seconded the amendment. The motion passed unanimously.

John asked if pets would be allowed. Brenna said that their daughter is very allergic, so except for service dogs, pets will not be allowed. Nor will they allow outside pets.

Liz asked what the maximum number of nights per year is that they hope to rent. Brenna said that it takes time to establish a VRBO so they don’t expect to be booked all the time for the first couple of years. They also want to use it themselves and with their family. It is hard to give a number. They don’t know what kind of interest there is in this area for a rental. They do plan to require a 2 night minimum stay. Jerry said that because the property is so rural, he doesn’t see a need for a limit. Jo said that it is safer for the neighborhood to have the property occupied.

Jerry made a motion that a condition be set that the number of guests be limited to 8, excluding children 5 years old and younger. Liz seconded. The motion passed unanimously.

Dave asked if when they will have a list of conditions and rules for renters. He suggested that snowmobiles and 4 wheelers not be allowed to operate on the property. He was concerned about kids riding up and down the roads. It is now legal to ride ATVs on roads in St Louis County.

Liz said that it is an issue of being respectful to neighboring properties and the neighborhood.

Dave said that expectations need to be known before guests arrive. Brenna said that they would put stipulations in the rental advertisement. John said that when they return for an extension of the interim use, neighbor input will have significant impact in whether the use is extended or not.
Liz made a motion that a condition be set that a sign fitting the parameters of the Ordinance be placed on Aho Road that will make it clear where the rental property is located. Jerry seconded. The motion passed unanimously.

Jo asked about lighting. Brent said that there were two groups of flood lights on the east side of the house and a smaller floodlight outside the basement door that illuminates the walkway. They have been in place for years. They do not plan on additional lighting.

John asked Bruce if he had any additional concerns. He said that a primary concern of the Planning Commission was potential consequences to neighbors. Bruce said that he has known Brent and Brenna for many years and is confident they will do a good job. He added that if anything were to come up, he would let the Commission know.

The main motion for an interim use for a high-frequency short-term rental at 1690 Aho Road, including the conditions, was approved unanimously.

Concerns from the Audience

An audience member wanted to know the process for getting a land use permit if your proposed building meets the requirements of the Ordinance.

Sue explained that if the proposed use is a permitted use and the project meets all dimensional requirements, a land use permit is all that is needed. If the application is complete and there are no wetlands, it typically takes less than a week to be approved. Some uses may take longer.

Jo added that if the dimensional requirements were not met, a variance would be required and that would also take longer.

The December minutes were approved as presented.

New Business

Sue said that a question had come in concerning a property that already had a house on it. The owners wanted to build a new home on the property and use the existing home as a guest cottage. Following discussion, it was decided to add guest cottages to the Ordinance as a use. The definition of a guest cottage, to be added to Article II of the Ordinance will be: “A non-commercial dwelling for temporary guests.” Temporary guest are considered to be guests staying less than thirty days per stay. Guest cottages will be subject to the same requirements as accessory uses and as such will be subject to all zoning requirements regarding accessory uses. The following performance standards will be added to Article VIII under Section 9:

A) For any increase in square footage above the allowable maximum size, the minimum side yard setback will be determined as follows:
   1. Divide the square footage of the proposed structure by the allowable maximum.
   2. Multiply the side yard set back by this figure and round to the nearest whole number.

B) Permanent and effective screening from the lakeshore and adjacent properties shall be established and maintained.
C) The structure shall not be placed in a manner that obstructs solar access of adjacent properties, as far as practicable.

Sue presented the proposed budget for Planning and Zoning for 2020. All line items were the same or similar to the 2019 budget and were consistent with recent budgets. Jo asked about a stipend for Val Brady, who has been volunteering a substantial amount of time to work on the Town’s MS4 requirements. The State mandates that the Township complete these reports, so it should be in the budget. Sue said that there is a stipend included for that work starting with the 2019 budget. It was moved that the proposed budget, as Sue presented it, be recommended to the Town Board for approval.

**Director’s Report**

Sue said that the Community Steering Group for the Comprehensive Land Use Plan update had its first meeting a week ago. The meeting started with a brief workshop on perceptions, dialogue and communication. She presented the decision-making process and the group determined some basic guidelines for conducting meetings. Sue outlined the planning process and the schedule for the first phase of the process. The current goal is to develop a set of community core values to recommend to the Board by early summer. The next Community Steering Group meeting is February 21. All of these meetings are open to the public.

The meeting adjourned at 9:50