

**Town of Duluth
Planning Commission
Millikan Appeal of Planning Director Decision
Minutes
October 16, 2019**

The meeting was called to order at 6:30 pm by Chair, Liz Strohmayer.

Present: Liz Strohmayer, Wayne Dahlberg, Jerry Hauge, Larry Zanko, Pam West and Angela Wilson.

Absent: Dave Edblom.

Also present: Sue Lawson, Planning Director.

Liz explained that this was a specially scheduled Commission meeting to hear an appeal of a decision made by the Planning Director, Sue Lawson. Randall and Lynn Millikan are appealing the decision that their property does not meet the required lot size for a short-term rental. The location of the property where the rental would take place is 5163 Greenwood Rd. They have a one-acre parcel across Greenwood Road and on the opposite corner from the rental parcel that they believe can be considered in meeting the minimum lot size for a short-term rental.

Rianne Joson was present representing the Millikans. She is a vacation property manager for Heirloom Property Management.

Liz read the letter requesting an appeal of the decision (see attached). She showed the map of the properties showing the parcel with the home intended for the short-term rental and the additional one-acre parcel across the road from the rental property.

Liz said that she spoke to the Town's attorney and to St Louis County. There are instances where an existing large acreage, such as a homestead or farm, has been split by a road where the land is still considered contiguous, but that is not the case here. These are two separate parcels on opposite sides of an existing road and on opposite corners. Neither the Town's attorney nor the County felt that these two parcels would be considered contiguous.

Larry said he didn't know the history behind the minimum two-acre lot size for a short-term rental. In his experience, a typical minimum lot size would be 1/2 acre.

Wayne explained that a number of years ago there was a short-term rental not far from the site currently in question. It was one of the first short-term rentals in the Township and the rental had many issues with its neighbors due to the proximity of the rental to its neighbors. The rental was owned by someone who lived out of town and the problems with it just kept increasing. It was on one of the small lots on Greenwood Road. The problems that arose from that situation were part of what led to the Town's decision to require a minimum lot size of 2 acres for a short-term rental. The hope was that a larger lot size would provide more of a buffer from neighboring property owners and negative interactions would be mitigated. The additional lot in this case, not being contiguous, would not provide that buffer.

Rianne said that the owners do live out of state, but they have hired her firm to supervise the rental. Her firm manages a number of short-term rentals in Duluth and she gives all of the neighbors her phone number for those rentals. She believes that the spirit of the Town's Ordinance was to not increase density and to not increase traffic going in and out. The additional lot will not be sold separately or built on. She believes that their proposal meets the spirit of the Ordinance.

Liz said that she agreed with Rianne regarding the spirit and intent. But she also has to consider that the two lots are not contiguous and does not think they can be considered contiguous for the purpose of this proposal.

Rianne said that they meet the other requirements for having a short-term rental there.

Liz said that those are two separate issues. The hearing tonight is just on the appeal of the Planning Director's decision. The additional requirements for short-term rentals would be addressed at the hearing for the conditional use if the appeal is approved. There may be other options if the Planning Commission votes to uphold Sue's decision.

Public Testimony

There was no one present to provide testimony.

Beth read an email from Kristine and Charles Gilley that had been received prior to the hearing (see attached).

End of Public Testimony

Angela moved to uphold the Planning Director's decision because the second lot across the road is not contiguous for purposes of reaching the minimum 2-acre lot size for a high-frequency short-term rental. Wayne seconded.

The motion passed unanimously.

Sue said that there were other options available for Rianne and her client if they still wanted to pursue renting the home. The first would be that they could apply for a variance from the 2-acre minimum lot size for a high frequency short-term rental. If they elected to do that, the variance could be heard at the same time as the conditional use. They have already applied for the conditional use. Another option is that they could rent for more than 30 days with no land use permit required. A third option would be to have a low frequency short-term rental. Low frequency short-term rentals can be rented once every 30 days, meaning that there must be a period of 30 days between the end of one rental and the beginning of the next rental. Low frequency short-term rentals require a yearly permit.

Sue said that a community participation report is also required for a conditional use. For this report the applicant contacts the property owners within the notification area defined by the Commission. It is an opportunity to explain what you are proposing to do and get feedback from your neighbors. At the hearing for a conditional use, the Commission decides whether to hear the request as a conditional use or an interim use. Conditional uses go with the property and interim uses are for a specific period of time. The interim use allows permitting a short-term rental for a specified period of time to evaluate how well it fits in the neighborhood. At the end of the initial permitted time, the owner can apply for an extension. Sue said that past experience in our Township, as well in

other communities, has shown that the success of a short-term rental depends on the owners and their relationship with the community.

Rianne asked, given that one neighbor is already against the proposed short-term rental, would it be worthwhile to pursue a variance?

Liz said that each situation is unique and the Commission cannot give any indication of what would or would not be approved.

The hearing ended at 7:04.

The decision and findings document was drafted and approved and the meeting was adjourned.