

Short Term Rental  
Town Board and the Planning Commission  
October 22, 2009

Present: Mary Ann Sironen, Dave Mount,  
Absent: Stephen Dahl, Danny Tanner, Wendy Meierhoff  
*No Town Board quorum for this meeting.*

Also Present: Director Sue Lawson, Michael Kahl, Dave Chura, Janet Green, Yvonne Rufford, Barb Crow,  
Planning Secretary Beth Mullan, Assistant Director John Kessler and Clerk Ann K Cox

Dave Chura Planning chair called the meeting to order at 6:02 p.m.

Short Term Rentals can be looked at two ways: geographically and conditionally. Geographically can be broken into zone districts and require lot size, set-backs and dimensional requirements. The second option, conditions, can be imbedded into Conditional Use Permits (CUP) requirements in the zoning ordinance. At this time we have two short term rentals within the township, in one case the system we currently have worked, in the second case it is not working.

Discussion: Planning Commission (PC), Town Board (TB)

PC: There was a really good discussion during the open house, a nice mix of realtors and residents. The realtors asked if some people could rent out their homes help pay the mortgage. There is a scenic value, kind of a resort type of value but on the negative side it disrupts the neighbors. Would an overlay be possible? There are additional concerns of transients, possible drug issues, people cannot watch every minute of every day.

TB: We already allow one month rentals. Folks who are inclined might do that regardless.

PC: I don't think having short term rentals in an outlying area where people can't see and monitor is good. When you have people a stones throw from each other, you might have a party like atmosphere which makes it more difficult to deal with. Even if people can keep an eye on the rental property it might be more annoying.

Director: This is more like a commercial enterprise; it certainly isn't a single home enterprise

PC: it should be on a level playing field with any other hotel, motel or campground.

TB: Commercial use is allowed in the MIU district. I don't think saying it is commercial use should restrict it to commercial zones.

Director: One option is if you take a commercial area and expanding it with an overlay. The other option is to have it simply in commercial zones.

PC: SMU can be made to be mixed also.

Director: you can do an overlay in the SMU district.

TB: Zones where it could be potentially considered, you could put in conditions that would apply to a specific site. The difference is the setting.

PC: Density considerations and neighbor considerations. My feeling about overlay districts is that it is a basic good idea but it is difficult for people to understand exactly what it is which makes me a little hesitant to create another. If we confront this issue, my opinion is to put it in zone districts with a whole bunch of conditions, the

conditions would be in the ordinance. You would have to meet them, you meet them and that might not be the end of it, you would need to reduce the impact on the neighbor's properties.

TB: You cannot consider some things that could not be required; there is nothing in the list I have provided to you that doesn't already exist. Both to help your decision making, these are things that won't strictly be conditions but that can be evaluated. Some of the wording might help put the burden on the applicant.

Director: the burden is always on the applicant but then the town gets the permit and the burden is then on the town. In the criteria for conditional uses in general, keeping with the character of the neighborhood. It is very difficult for me to figure how changing people in a house, is in keeping with the character of the neighborhood.

PC: proving you have a license and the license is up to date. If they no longer have a conditional use permit, would they continue to rent anyway?

TB: You know there are people in this township who if denied a permit will continue to rent anyway.

Director: If you get someone else to come in, no matter how many conditions you put down they won't care. They should be in the Commercial zone.

PC: SMU 8, which is Greenwood Road, and SCO 8a or 8b are not suitable for short term rentals. SMU 6 is the more open, it is mixed use and would be a better place for short term rentals. There are places in SMU 6 that are just as dense as SMU 8.

PC: But they have the Scenic Café, Nokomis, rentals.

PC: Yes but there are a few businesses in SMU 8 also.

TB: perhaps the best would be to rule out those areas where Short Term rentals should not be allowed.

PC: If you allow it in one area you allow it in all areas. My preference is to not allow it at all.

TB: We have one in one area that isn't causing any problems then we have one in another area that is nothing but one problem after another. The thought is to not take away peoples opportunities if possible.

Director: it's the location and what's surrounding it.

TB: We know there are people who live there permanently and don't get along already.

Director: The one that is working is kind of an area that mixed use is in.

PC: It does meet a motel description with one suite. If you wouldn't allow an unsupervised motel in the area why would you allow a short term rentals?

TB: By taking your analogy you take small term items but you wouldn't allow a WallMart? Neighborhood scale is important.

PC: You would allow a 2 room motel?

TB: You are arguing scale doesn't matter.

PC: The type of business you are talking about, there are different types of businesses you might allow.

TB: Month long rentals? Without restrictions? Without conditions?

PC: They aren't a problem

PC: Short term rentals aren't necessarily a bad thing, when I travel it is one thing I consider. Greenwood Road is not a suitable zone district; SMU 6 is a suitable zone district. One of the unfortunate things is one rental on Greenwood Road was bought for speculative purposes. I don't know if you could factor that in, the land owner has to have some connection with the property.

PC: I think there is a difference with a snowbird who rents their house out for 2 or 3 months at a time. Is that what we want along the shore a huge stretch of rental properties? Or do we want to have a district of single family homes with families who contribute to the community.

PC: I am not in favor. When we started this the onus was on the neighbor to do the enforcing. We have had a bad experience with one short term rental but I don't believe we are getting into more than we want. If we have all these conditions to meet, conditions on the use, we need to decide site by site, overlay and enforcement.

TB: The Town Board is interested in a way to accommodate the concerns. If the commissions answer is no we understand that. We have heard so much about the small pieces but whatever we put in place has to apply additional work for all the Township residents.

PC: whatever we decide today or tomorrow will significantly decide how that shoreline will look 10 years from now. The decision is, what do you want this area to be, a rental destination or do you want it to be a part of a neighborhood.

Director: What about the community? I understand the Town Boards concern about property rights but if we didn't have a zoning ordinance or a comp plan in place then whatever you want to do with your property is fine.

PC: But you have to look at what we have done with the zoning ordinance itself SMU 6 (description was read). It is the lot size which is the difference between the zone descriptions.

TB: Allowing short term rentals is not a fair argument, I don't think the Town Board is pushing that vision but we need to come up with something between None and Cape Cod.

PC: There are a number of houses people have built on the shore which are not my idea of back country recreational houses but they can rent them out with rental management companies.

Director: There are zones in Tofte which are zoned resort. On the upperside of the road it is more like single family. Town of Lutsen? I'm not sure, it is a strip of resorts that are zoned resort.

PC: There are still homes along the shore that are rented out with rental management organizations. One of the things I am curious about is do these residents suddenly become non homestead? Is there a way to make this contingent to make it Homesteaded. You can rent your house out for several months without losing your homestead designation.

PC: Having in place a conditional plan gives people who cannot afford to build on the shore of Lake Superior the ability to build.

PC: Maybe not build an average home but a larger home.

PC: We would want to require the same things we would require a motel or hotel because they are doing the same type of service.

TB: Read from zoning ordinance there is no motel description in the use table.

Director: The Planning Commission said we do not want this, the Town Board said yes you will.

TB: Reading under planned unit development – page 29.

PC: There is no motel listing in the index but there is a hotel listing.

TB: Planned unit development commercial?

PC: A planned unit development is not allowed in SMU 6 or SMU 8 (table on page 55). Commercial is short term lodging spaces, maybe those are the areas the overlay should apply.

TB: We shouldn't have an overlay unless we can't find another way.

PC: So the Town Board's decision trumped what the Planning Commission wanted?

TB: We felt under pressure with the time line. We understand why you said what you said but we are uncomfortable with an absolute no we wish to find a third way.

Director: It isn't about "I" it is about community.

PC: We thought that bit by bit those various commercial organizations would die by they haven't.

Director: The work that Dave Mount has done is good. You have the ability to change the ordinance, you may change the format, short term conditions could be added where conditional use permits are. People are going to look for a short term rental and see that they are going to have to meet these conditions and perhaps a few more.

PC: At the least we should do that. It would still allow short term rentals in all zone districts but with standards. Maybe what we need to do is have a little working group with a final proposal we can act on.

TB: If there are zones you feel it is inappropriate you need to let us know.

PC: If it is acceptable in one zone then it should be acceptable in all zone districts. It should be everywhere. If you aren't willing to have it in your back yard then it shouldn't be in anyone's back yard.

*Dave Chura/Yvonne Rufford PUD residential discussion*  
*Dave Chura/Barb Crow B&B discussion*

Planning Chair Dave Chura then gathered a list of Commission members interested in a small group discussion. The small group will bring their findings back to the bigger group in November.

Discussion closed.

Motion and second to adjourn the meeting. Motion passed 6:56 p.m.