

CITY OF MARINE ON ST. CROIX
PLANNING COMMISSION
REGULAR MEETING

Tuesday June 25 2019- 7:30pm
121 Judd Street – Village Hall

1. Call to Order
2. Presentation— Short-Term Rentals
3. Old/New Business
4. Approval of May Minutes
5. Adjournment

The City of Marine on St. Croix Planning Commission regular meeting of June 25, 2019 was called to order by Chairman Mrosla at 7:36 pm. Hagstrom, Henry, Sanderson, Smitten, and Spisak present. Brenner absent.

Citizens Present: Robin Brooksbank, Charlotte Wilcox, Pat Pardun, Lon Pardun, Josie Helmer, Mike Zajac, Gwen Roden, Larry Roden, Christine Maefsky, Vincent Maefsky, Mary Vogel, Hank Fischer, Kim Creager, Andy Creager, David Sullivan, John Goodfellow, Kitsi Vadheim, Charlie Anderson, Karen Kramer, Andy Kramer, Jeannie Davis, Roger Lyle, Robyn Dochterman, Ryan Marsel, Evan Johnson, Leslie Mackenzie, Peter Foster, Janet Johansen, Christine Cundall, Peter Cundall, Terry Mistalski, Carissa Roach, Win Miller, Sharon Looney, Jane Kennedy, Tammy Newcomb, Jim Maher, Mary Fernstrum, John Norusis, Bill Miller

Presentation—Short-Term Rentals

Mrosla stated that the main purpose of the meeting was to present initial Planning Commission findings related to short-term rentals, or STRs. The Commission has been studying this issue since August of 2018, with a one-year moratorium being adopted by the City Council in December. First, there would be a PowerPoint presentation from the Commission, followed by a period of questions and comments from the audience. Then, based on the community's feedback, the Commission would move forward with one of two ordinances: 1) an ordinance allowing STRs with restrictions, or 2) an ordinance prohibiting STRs.

Hagstrom reviewed the work done by the Planning Commission to date, which includes a summary of findings and draft materials of the following: a STR license application, a welcome packet to distribute to guests, guest rental instructions and rules, and a complaint form. These materials were also posted to the City's website. The audience was provided note cards to write down suggestions for the Commission if they decided not to speak during the open forum.

Hagstrom explained that after being assigned this topic by the Council in August, the Commission formed a small committee, which researched existing short-term rental ordinances. These studies included big cities, small cities, commuter towns, and destination spots to look at a variety of approaches. From this research, the committee narrowed down the discussion to six different topics: definition, types, location, use, application and licensing, and operations. Feedback on these issues has been received at Planning Commission meetings, through emails and letters, and from a short one-page survey at the Fireman's Ball on June 15.

PLANNING COMMISSION TERMS – Kristina Smitten-Expires 12/31/2021, Anna Hagstrom, Gerry Mrosla, Ron Brenner, Jennifer Henry –Expires 12/31/2019, Scott Spisak, Ed Sanderson-Expires 12/31/2020

Hagstrom then reviewed each of the topics and subsequent recommendations reached by the Commission, which are still a work in progress. The definition of a STR would be a dwelling or a portion of a dwelling rented for less than 30 days. The Commission recommends 1) that the owner's primary purpose of the property is for their own use, meaning no dedicated vacation rentals or business (LLC) entities, and 2) the owner be required to occupy the property at least as many nights as they rent. For homes with accessory buildings, the owner must meet this requirement in at least one of the units. Multi-unit properties such as the Schoolhouse Apartments would be waived of this requirement, although no more than 50% of the units may be used for an STR.

The types of STRs include hosted (part of the unit is rented, owner is present during the rental period), and non-hosted (the entire unit is rented out, owner is not present). The Commission's working recommendation is to allow both types.

For location (how many STRs to allow and in what areas), the Commission's recommendation is to allow a certain number, either in each district, a percentage in each district, or total in the City. The Commission also recommends not regulating the proximity of STRs to each other.

For use, the STR must conform to all existing City codes and ordinances, such as noise restrictions, and must provide parking. Further, the Commission recommends specific STR signage not be permitted, no private, commercial or social events, and a maximum number of guests being two per bedroom plus two additional guests.

In regards to the application and licensing, the Commission suggests an annual \$200 application fee. Further, any STR which is sold would not transfer to the new owner, functional smoke and carbon monoxide detectors must be in place, the owner must have homeowner's insurance, and they must notify and provide their contact information to all of their neighbors. The applicant must also hold a lodging license required by the Minnesota Department of Health and pay any applicable taxes. An owner's license may be revoked depending on the frequency or severity of complaints.

For operations, The Commission would recommend that owners are required to keep guest records and report annually on them, partially for the City to see how often STRs are being utilized. The owner would also be required to provide the City drafted Welcome Packet to all guests. An owner (or their designee), must also be within 30 minutes of the City and available by phone. A 24 hour "Who to Call" page would be required to be displayed on the premises, and it would also be available on the City's website.

Hagstrom outlined the next steps. The Commission will review community feedback from this meeting and the survey, which is to be sent out with residents on their next utility bill (due back by July 19). There would then be a full discussion at the July Planning Commission meeting. The Commission would then provide ordinance framework(s) to, and receive direction from, the City Council. The City would then work with the City Attorney in drafting the ordinance, the Planning Commission would hold a Public Hearing, and the City Council would consider the final draft of the ordinance.

Sanderson then opened the comment period to the audience. Ryan Marsel, Judd Street resident, asked how this issue originated and what the Commission is trying to resolve by implementing an ordinance. Sanderson responded that while one STR was raised as a nuisance by its neighbors, more communities are beginning to look into the issue because it is becoming more of a common use. Mroska expressed that he was concerned about properties being bought by investors and reducing affordable housing. Smitten added that one of the duties of the Planning Commission is to think about long range planning, and that would include reviewing the potential impact of STRs. Marsel said he believes STRs should be restricted

in some manner, but wanted to ensure that the City is not responding to the concerns of the few over the many.

Andy Creager, 5th Street resident, commented that both of the current home-based STRs in Marine got confirmation from the City to use them as STRs and should be grandfathered in. He also expressed concern about three complaints possibly allowing for revocation without proper review.

Mike Zajac, Broadway resident and owner of the Marina and Restaurant, stated that the proposed regulations feel too restrictive. He continued by saying that many of his customers are from out of town, and many who have bought homes in Marine visited here first. In response to the volunteerism concern, he said many people in town already buy homes for cabins, and those people are not engaging in the community. He also noted that the part about fireworks is not needed, since it is covered in the City Code.

John Norusis, Pine Cone Trail resident and owner of the Castle currently being used as an STR, emphasized how STRs bring much needed added revenue to the local businesses. Norusis said he himself provides gift cards to the Cafe and Marina to encourage spending money in town. Norusis then explained that he was able to afford his home because of the income from STRs. He also wanted the world to be able to come and see the unique, historic property. Norusis explained that he called the City prior to buying the property to inquire about any requirements, and Zoning Administrator Lynette Peterson said that the City does not monitor rentals. Norusis said that the proposed regulations are unattainable for him, and if the City decides to follow through with them, he would have to file suit against the City to protect his investment. As a final note, Norusis said he turns down as many rental requests as he accepts.

Robin Brooksbank, Judd Street resident, who previously served on both the Planning Commission and City Council, and grew up in Marine, noted that at one point there was no regulation of septic and sewer. She added that she supports having STRs with reasonable regulations.

John Goodfellow, Pine Cone Trail resident, stated that he has been active in the STR discussions and believes the biggest concern is community character, and that residential areas are intended to be residential. He said the Commission should consider property values and rights, but they also need to balance that with what is best for the greater good of the community.

Robyn Dochterman, owner of the Chocolate Shop and resident of Scandia, noted that the Commission should not limit themselves to just bedrooms or entire homes, because people are seeking more unique experiences (i.e. recreation vehicles, etc.). For example, she rents out her backyard to people who camp. Dochterman also asked what the application fee is for. She expressed support for STRs with reasonable regulation, voicing that Marine should give people a place to stay that the City can manage.

Mary Vogel, Pine Cone Trail resident, asked the Commission to be more specific about ownership, because sometimes the owner of the business is not the owner of the property.

Patti Kraske, 6th Street resident, noted the positives that the current STRs have brought, sharing that her family stayed at Christine Maefsky's home for Thanksgiving.

Vince Maefsky, 2nd Street resident and owner of a currently operating STR asked how many STRs there currently are in Marine. There are five total—three in the Schoolhouse Apartments, plus the Maefsky's and John Norusis. Christine Maefsky continued by saying that they have rented their property for five years with no problems, and live in Scandia where there are no regulations. She echoed the unique experience aspect that Dochterman mentioned and said that the people who come here love nature.

Christine's main concern was identifying the purpose of each regulation (no events, requiring smoke and carbon monoxide detectors, annual reporting, etc.) and who was going to enforce it. She also would like more information about the lodging tax. She then responded to the community involvement concern others have expressed. She is a non-hosted rental but is very engaged in the community, including the Library Board.

Win Miller, Judd Street resident, said he was in favor of STRs with reasonable regulations limiting the amount either by district or in total. These numbers can then be increased if needed. He said that the biggest issue appears to be potential nuisances to a neighborhood, but he believes STR owners will comply with regulations in order to keep them operating. Mrosla said that the Commission is trying not to over regulate so the regulations they do make are effective.

Tammy Newcomb, Robert Street resident, asked that the results of the STR survey be made known to the residents in order to gain more participation.

Charlotte Wilcox, 3rd Street resident, echoed that people come here for nature and those types of people generally do not cause problems.

Old/New Business

None.

Approval of May Minutes

Smitten said there was a mistake in the third paragraph about the community workshop. "The recommendations would be put into a draft ordinance" was changed to "The recommendations would be put into a summary and memo."

*Smitten moved and Hagstrom seconded to approve the May 28th Planning Commission minutes as amended. **Motion passed unanimously.***

Adjournment

*Smitten moved and Henry seconded to adjourn at 9:00 pm. **Motion passed unanimously.***

Minutes by Kiersten Northcraft, Assistant City Clerk