

MINUTES OF A PUBLIC HEARING CONDUCTED BY THE ST. LOUIS COUNTY PLANNING COMMISSION HELD BOTH VIRTUALLY VIA WEBEX AND IN-PERSON AT THE ST. LOUIS COUNTY GOVERNMENT SERVICES CENTER, LIZ PREBICH ROOM, VIRGINIA, MN ON THURSDAY, AUGUST 11, 2022.

9:00 AM – 10:00 AM

Planning Commission members in attendance: Tom Coombe
Steve Filipovich
Dan Manick
Pat McKenzie
Commissioner Keith Nelson
Dave Pollock
Roger Skraba, Chair
Ray Svatos
Diana Werschay

Planning Commission members absent: None

Decision/Minutes for the following public hearing matters are attached:

NEW BUSINESS:

- A. Van Tassell Enterprises, a conditional use permit for a resort expansion as a Commercial Planned Development Use – Class II.
- B. Dane Olson, a conditional use permit for a commercial rental dwelling as a Commercial, Retail, and Service Establishments Use - Class II.

OTHER BUSINESS:

Motion by Svatos/McKenzie to approve the minutes of the July 14, 2022 meeting.

In Favor: Coombe, Filipovich, Manick, McKenzie, Nelson, Pollock, Skraba, Svatos, Werschay - 9

Opposed: None – 0

Motion carried 9-0

Jenny Bourbonais, Acting Secretary, stated that because of the existing September caseload, the Planning Commission and Board of Adjustment meetings would be split up for September. The Board of Adjustment would meet at the regularly scheduled meeting date of September 8, 2022. The Planning Commission would meet a week later on September 15, 2022. The Planning Commission meeting would also include a workshop after the conclusion of regular cases to update members on short term rentals. Commission member *Skraba* stated he will be unavailable for either hearing and Commission member *Manick* stated he would likely be unable to make the Planning Commission meeting. Other commission members confirmed September 15 would work for them. *Jenny Bourbonais* stated she will let the Planning Commission know when the dates are set.

NEW BUSINESS:

Van Tassell Enterprises

The first hearing item is for Van Tassell Enterprises, a conditional use permit for a resort expansion as a Commercial Planned Development Use – Class II. The property is located in S9, T64N, R20W (Leiding). *Mark Lindhorst*, St. Louis County Senior Planner, reviewed the staff report as follows:

- A. The applicant is requesting to add 10 recreational vehicle (RV) sites and two small cabins to an established resort use.
- B. The proposed expansion is for seasonal use only from May to October.
- C. Access will be off Birch Forest Road.
- D. The applicant is working with a licensed septic designer for installation of a new septic system.
- E. The property is heavily vegetated and has good screening from the road.
- F. There is a large wetland located on the property. No wetland impacts are proposed.

Mark Lindhorst reviewed staff facts and findings as follows:

- A. Plans and Official Controls:
 1. St. Louis County Zoning Ordinance 62 states that a Commercial Planned Development Use - Class II is an allowed use in this Shoreland Multiple Use (SMU) zone district with a conditional use permit.
 2. Zoning Ordinance 62 allows a maximum development density for commercial planned developments based on the amount of the property within each development density tier.
 - a. Based on the information on record and the information provided by the applicant, the proposed development density would be within what is allowed by Zoning Ordinance 62.
 3. Input received through the development of the St. Louis County Comprehensive Land Use Plan identified the need to continue to support the lodging industry. In particular, demand was noted for recreational vehicles (RV) and tent campgrounds and the county should support the development and expansion of such campgrounds within the confines of existing regulations.
 4. The St. Louis County Comprehensive Land Use Plan Objective LU-4.1 states that, when possible, direct new development toward areas already supported with improved infrastructure, public facilities, and areas in reasonable proximity to basic services.
 5. The St. Louis County Comprehensive Land Use Plan Objective LU-4.3 encourages infill, redevelopment, or reuse of vacant commercial or industrial properties.
 6. The St. Louis County Comprehensive Land Use Plan Goal LU-7 is to provide sufficient opportunities for commercial development to serve local and regional markets throughout the county.
 7. The St. Louis County Comprehensive Land Use Plan Objective LU-7.2 is to develop opportunities for neighborhood commercial sites that are compatible in scale and operation with surrounding residential development.
- B. Neighborhood Compatibility:

1. The area consists of established residential and commercial uses. There are three resorts located within one-quarter mile: Grey Wolf, Pine Grove, and Cabin-O-Pines.
2. Cabin-O-Pines Resort, which is located on an adjacent parcel to the west, received conditional use permit approval for a resort expansion that included both recreational vehicles and remote cabins in May 2020 and November 2021.

C. Orderly Development:

1. The area consists of established residential and commercial uses. The Birch Forest Resort request is to expand away from the lake minimizing impacts to near shore and residential areas.
2. Resorts and other water related commercial activities provide significant services for Pelican Lake residents and visitors. Resorts provide a significant opportunity for the public to utilize the County's water resources.

D. Desired Pattern of Development:

1. As stated above, the pattern of development in the area is both commercial and residential. The request is to expand a commercial business away from the lakeshore and residential areas.
2. Public interest would be best served by the proposal because resorts provide a significant opportunity for the public to utilize the County's water resources, and it is in the public's interest for the County to encourage the long-term viability of the industry for economic and cultural reasons.

Mark Lindhorst noted one item of correspondence from Barry Johnson with concerns about the proposal. This item was provided to the Planning Commission prior to the hearing.

STAFF RECOMMENDATION

If the Planning Commission determines that the proposal meets the criteria for granting a conditional use permit for a resort expansion as a Commercial Planned Development Use – Class II, the following conditions shall apply:

1. St. Louis County On-site Wastewater SSTS standards shall be followed.
2. Recreational vehicles shall have a current motor vehicle license.
3. All setbacks shall be maintained within the planned development RV campground.
4. Detached decks shall require permits.
5. All local, county, state, and federal regulations shall be met.
6. Signs shall be in accordance with St. Louis County Zoning Ordinance 62.

Adam Van Tassell, the applicant, stated they are requesting a resort expansion for two reasons. The first reason is staffing as they have not been able to find dependable local help. This is likely because they are not hiring full-time positions but seasonal. The result is they would need to bring in outside help who need a spot to set up. This could be a retired couple with a RV. They do not want to put the RVs in the middle of a resort or near the water. This is why they chose the location they did. A second reason is because they want to diversify their operations. There are times when someone wants to rent a cabin but has a friend with a RV. They are working with a septic designer to design a system. This system will be designed to keep water away from the wetlands. They have

already met with the Minnesota Department of Health. They are also working with the township on the road system where access will be in and out.

Most of the neighborhood has stopped to ask them questions. This is what happened when Cabin-O-Pines had their expansion as well. One thing they do not allow are all terrain vehicles (ATV). He does not want to disturb the neighbors and does not want to disturb their peace and quiet. They are not impacting the wetlands. The development will be on upland. He does not see the slight increase in traffic being a big deal. He and his wife both use the road to run and walk. Seasonal campers are not up all the time. It is less expensive to rent a seasonal RV space than it is to rent a cabin. He has not spoken with the neighbor who provided correspondence in person.

He stated he does not want ten RV spots. That number was requested in case the RV sites do work out. There will be two bunkhouses that will have no running water. There will be a shower house on the property. These bunkhouses would be more affordable than renting a cabin or purchasing a RV.

Three members of the virtual audience were present.

Kasey Van Tassell declined to speak.

Barry Johnson was present and had no additional comments.

Scott Myran stated his questions had been answered. He asked if the request was for two remote cabins that resemble bunkhouses and a maximum of 10 RV sites. He has been unable to stop and talk with the applicant but intends to do so. He had no further questions and no objections.

No other call-in users, present audience members or other virtual attendees spoke.

The *Planning Commission* discussed the following:

- A. Commission member *Skraba* asked what staff's response was to the adjoining landowner's correspondence. *Mark Lindhorst* stated that while the correspondent asked if there was a buffer, there is no buffer for a wetland in St. Louis County. The correspondent asked if these RV sites would be hooked into a septic system and water. These sites will be seasonal sites. The correspondent asked if there would be a new well. The applicant did not supply information on if they would dig a new well or use the existing well. The correspondent asked about a stormwater management plan. The Ordinance states that one is not required if the applicant stays within 15 percent lot coverage. A stormwater management plan would be required if the applicant is over 15 percent lot coverage. The maximum lot coverage allowed is 25 percent.
- B. Commission member *McKenzie* asked if any other agencies are involved in the approval of this request. *Mark Lindhorst* stated the Minnesota Department of Health is involved because this is a resort and would look at the layout of each site to determine the square footage each campsite requires. This may change the final sketch of what the resort expansion may look like.
- C. Commission member *Manick* asked about docks and boats with the RVs. *Adam Van Tassell* stated they have a private boat ramp and a large dock system. They have the space for 23

boats. They have two bays on their property and there are two docking systems. They are currently expanding their smaller docking system.

DECISION

Motion by Manick/McKenzie to approve a conditional use permit for a resort expansion as a Commercial Planned Development Use – Class II, based on the following staff facts and findings:

A. Plans and Official Controls:

1. St. Louis County Zoning Ordinance 62 states that a Commercial Planned Development Use - Class II is an allowed use in this Shoreland Multiple Use (SMU) zone district with a conditional use permit.
2. Zoning Ordinance 62 allows a maximum development density for commercial planned developments based on the amount of the property within each development density tier.
 - a. Based on the information on record and the information provided by the applicant, the proposed development density would be within what is allowed by Zoning Ordinance 62.
3. Input received through the development of the St. Louis County Comprehensive Land Use Plan identified the need to continue to support the lodging industry. In particular, demand was noted for recreational vehicles (RV) and tent campgrounds and the county should support the development and expansion of such campgrounds within the confines of existing regulations.
4. The St. Louis County Comprehensive Land Use Plan Objective LU-4.1 states that, when possible, direct new development toward areas already supported with improved infrastructure, public facilities, and areas in reasonable proximity to basic services.
5. The St. Louis County Comprehensive Land Use Plan Objective LU-4.3 encourages infill, redevelopment, or reuse of vacant commercial or industrial properties.
6. The St. Louis County Comprehensive Land Use Plan Goal LU-7 is to provide sufficient opportunities for commercial development to serve local and regional markets throughout the county.
7. The St. Louis County Comprehensive Land Use Plan Objective LU-7.2 is to develop opportunities for neighborhood commercial sites that are compatible in scale and operation with surrounding residential development.
8. The use conforms to the land use plan.

B. Neighborhood Compatibility:

1. The area consists of established residential and commercial uses. There are three resorts located within one-quarter mile: Grey Wolf, Pine Grove and Cabin-O-Pines.
2. Cabin-O-Pines Resort, which is located on an adjacent parcel to the west, received conditional use permit approval for a resort expansion that included both recreational vehicles and remote cabins in May 2020 and November 2021.
3. The use is compatible with the existing neighborhood.

C. Orderly Development:

1. The area consists of established residential and commercial uses. The Birch Forest Resort request is to expand away from the lake minimizing impacts to near shore and residential areas.
2. Resorts and other water related commercial activities provide significant services for Pelican Lake residents and visitors. Resorts provide a significant opportunity for the public to utilize the County's water resources.
3. The use will not impede the normal and orderly development and improvement of the surrounding area.

D. Desired Pattern of Development:

1. As stated above, the pattern of development in the area is both commercial and residential. The request is to expand a commercial business away from the lakeshore and residential areas.
2. Public interest would be best served by the proposal because resorts provide a significant opportunity for the public to utilize the County's water resources, and it is in the public's interest for the County to encourage the long-term viability of the industry for economic and cultural reasons.
3. The location and character of the proposed use is considered consistent with a desirable pattern of development.

The following conditions shall apply:

1. St. Louis County On-site Wastewater SSTS standards shall be followed.
2. Recreational vehicles shall have a current motor vehicle license.
3. All setbacks shall be maintained within the planned development RV campground.
4. Detached decks shall require permits.
5. All local, county, state, and federal regulations shall be met.
6. Signs shall be in accordance with St. Louis County Zoning Ordinance 62.

In Favor: Coombe, Filipovich, Manick, McKenzie, Nelson, Pollock, Skraba, Svatos, Werschay -

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Opposed: None - 0

Motion carries 9-0

Dane Olson

The second hearing item is for Dane Olson, a conditional use permit for a commercial rental dwelling as a Commercial, Retail, and Service Establishments Use - Class II. The property is located in S35, T53N, R12W (Alden). *George Knutson*, St. Louis County Planner, reviewed the staff report as follows:

- A. The applicant is requesting approval to operate a commercial rental dwelling unit at the site address that is similar in nature to a short-term rental but would be primarily used as a rental with little to no personal or private use of the property.
- B. The applicant is planning to have the property available to be rented 365 days per year.

- C. The property would only be used for rental use or would sit unused if it is not rented at any given time.
- D. Since this is primarily a rental, the use is considered a Commercial, Retail, and Service Establishments Use - Class II.
- E. Although this proposed use may be similar in nature to a short-term rental, it is more similar to a bed and breakfast or a hotel/motel than a residential use because of the transient nature and the frequency of rental.
- F. Development on the property consists of a dwelling, a garage, and a small shed.
- G. The property has an onsite septic system.
- H. There are approximately nine dwellings within one-quarter mile of the subject parcel.
- I. There is decent vegetative screening along Hill Road and Two Harbors Road.

George Knutson reviewed staff facts and findings as follows:

A. Plans and Official Controls:

- 1. St. Louis County Zoning Ordinance 62, Section 6.32 states that if a property is used primarily for rental purposes, then it shall be deemed a Commercial Use - Class II and subject to ordinance requirements regarding commercial use.
- 2. The transient nature and frequency of the rental at the site may be more similar to a bed and breakfast or a hotel/motel use than a residential use.
 - a. These uses are commercial uses.
- 3. Zoning Ordinance 62, Article V, Section 5.6, states that a Commercial, Retail and Service Establishments Use - Class II is an allowed use in this zone district with a conditional use permit.
- 4. Objective ED-2.1 of the St. Louis County Comprehensive Land Use Plan is to recognize and ensure regulatory fairness across a thriving lodging industry that includes hotels, bed and breakfasts, and vacation rentals.

B. Neighborhood Compatibility:

- 1. The zone district in this area is the Forest and Agriculture Management (FAM)-3 zone district.
- 2. The property meets minimum zone district requirements which are nine acres and 300 feet in width.
- 3. The development of the property is located just over 400 feet from the West Branch Knife River.
- 4. Much of this area consists of rural residential development.

C. Orderly Development:

- 1. The area has low development density. Most of the parcels in the area meet or exceed the minimum size requirements. Any future development will likely be located on large parcels that meet zoning minimums.
- 2. The proposed use requires a conditional use permit but would be similar in nature to other short-term rental uses.
 - a. The main difference compared to many short-term rentals would be the frequency of rental.
 - b. There is opportunity for other similar uses in the area due to the zoning.

D. Desired Pattern of Development:

1. The existing pattern of development is rural residential development on large tracts of land.
2. Because this area is zoned a majority Forest and Agricultural Management, a variety of future uses would be allowed and encouraged where appropriate in the area. In the event new uses are proposed, they will likely be located on parcels that meet minimum size standards.

E. Other Factors:

1. The application indicates that there are three bedrooms on the site and the requested occupancy is six people.
 - a. St. Louis County On-Site Wastewater has passed record review of the septic system and determined a maximum occupancy of six.
2. Although this is technically not a short-term rental, some of the short-term rental standards and conditions, including the occupancy standards, may be appropriate.

George Knutson noted two items of correspondence not in support of the proposal from *Jessie Aspoas* and *Sandra Wagner*. These items were provided to the Planning Commission prior to the hearing.

STAFF RECOMMENDATION

If the Planning Commission determines that the proposal meets the criteria for granting a conditional use permit for a commercial rental dwelling as a Commercial, Retail and Service Establishments Use - Class II, the following conditions shall apply:

1. The permittee/owner/operator shall post within the rental unit the rules and regulations and emergency contact information for police, fire, hospital, septic tank pumper, and permittee/owner/operator.
2. The permittee/owner/operator shall provide the St. Louis County Planning and Community Development Director with current contact information for person(s) responsible for property management.
3. The permittee/owner/operator shall provide a visual demarcation of the property lines.
4. All local, state and federal requirements shall be followed for taxing, licensing, permitting and other applicable requirements.
5. General liability insurance covering the property, including its use as a commercial rental dwelling, shall be maintained in an amount consistent with St. Louis County Board coverage requirements; a copy of the insurance policy shall be provided to and on file with the County.
6. The permittee/owner/operator shall obtain and maintain an applicable Minnesota Department of Health Lodging License and other applicable licenses. Copy of current license(s) shall be provided to and on file with the County prior to issuance of permit by the County. Applicable licenses shall be posted in a prominent location within the dwelling unit(s).
7. A Minnesota tax identification number and other applicable identification numbers must be provided to the St. Louis County Planning and Community Development Director prior to issuance of permit.

8. Disposal of solid waste must comply with St. Louis County Solid Waste Ordinance 45, or its successor or replacement.
9. The site shall provide on-site parking sufficient to accommodate the occupants of the rental dwelling unit.
10. No person shall, for the purpose of camping, lodging, or residing therein, leave or park a vehicle or motor vehicle on or within the limits of any road or on any road right-of-way.
11. All other local, county, state and federal regulations shall be met.

Dane Olson, the applicant, stated this property was inherited when both parents passed away. They own the adjoining property and have had that property in the family for over 100 years. A vacation rental seems like the best way to maintain the property. He has spoken with neighbors who are in favor of this proposal. The only objections have been through the correspondents. Their family has been part of Clover Valley and in Alden Township for three generations working with local artisans and farmer's markets.

No call-in users, present audience members or other virtual attendees spoke.

The *Planning Commission* discussed the following:

- A. Commission member *Filipovich* asked if there is any difference between the Residential (RES)-3 and FAM-3 zone districts because both exist on the property. *George Knutson* stated that the existing development is located within the FAM-3 zone district.
- B. Commission member *Filipovich* asked if there are differences between short term rentals and the longer term rentals like this proposal. *George Knutson* stated the major difference is the frequency of rental. The main use of the property will be used for commercial rental. This use would have to meet the specific zone standards, which it would with a conditional use permit.
- C. Commission member *Filipovich* asked if there is also a difference when selling the property. If a short term rental property sells, would the process start all over again. For a commercial use like the proposal, this would go with the life of the property. *Jenny Bourbonais*, Acting Secretary, stated that conditional use permits stay with the property. However, the Planning Commission could condition it so that the conditional use permit not be transferrable if/when the property is sold.
- D. Commission member *Coombe* asked what the main concerns were for the correspondents not in support of the proposal. *George Knutson* stated the biggest concern was the transient nature of the request being the property would only be used for rental. There is also the frequency of turnover.
- E. Commission member *Pollock* stated the applicant deserves credit for stating this is a commercial use and not trying to claim it as a short term rental.
- F. Commission member *Svatos* asked if the minimum stay is three days or a week. *Dane Olson* stated this is likely but is undecided. Between stays they will leave the property vacant for a day for cleanup.
- G. Commission member *Werschay* asked if the renters will have access to the river. *Dane Olson* stated there is open access through a Minnesota Department of Natural Resources (DNR) easement. Access is available down the road. There is no feasible access through this property.

- H. Commission member *Manick* asked how the applicant is advertising this property and if the applicant would consider longer term rentals. *Dane Olson* stated no, this property will be used for short term vacation rentals. Things may change once family retires but they hope to rent the property for two to three years.
- I. Commission member *Pollock* stated if the applicant wanted to rent for longer periods of time, there is nothing that would preclude the applicant from doing so.
- J. Commission member *Skraba* asked who will be the caretaker on the property? *Dane Olson* stated he will be the contact person. A lot of the functions are automated, such as keyless entry, smart locks, and internet. They own the adjoining property as well that their family frequently uses.
- K. Commission member *Manick* asked what could be done if there are noise complaints about renters on site if the applicant lives in St. Paul. *Dane Olson* stated there is some liability as a landowner. There will be house rules and quiet hours. If there is an issue, there are people willing to operate as a caretaker if needed.
- L. Commission member *Pollock* stated there are certain things a landowner cannot be able to resolve. If there is a problem going on, neighbors can call law enforcement.
- M. Commission members considered a condition to not allow the transfer of the conditional use permit if the property ownership changes.

DECISION

Motion by Svatos/Manick to approve a conditional use permit for a commercial rental dwelling as a Commercial, Retail and Service Establishments Use - Class II, based on the following staff facts and findings:

- A. Plans and Official Controls:
 - 1. St. Louis County Zoning Ordinance 62, Section 6.32, states that if a property is used primarily for rental purposes, then it shall be deemed a Commercial Use - Class II and subject to ordinance requirements regarding commercial use.
 - 2. The transient nature and frequency of the rental at the site may be more similar to a bed and breakfast or a hotel/motel use than a residential use.
 - a. These uses are commercial uses.
 - 3. Zoning Ordinance 62, Article V, Section 5.6, states that a Commercial, Retail and Service Establishments Use - Class II is an allowed use in this zone district with a conditional use permit.
 - 4. Objective ED-2.1 of the St. Louis County Comprehensive Land Use Plan is to recognize and ensure regulatory fairness across a thriving lodging industry that includes hotels, bed and breakfasts, and vacation rentals.
 - 5. The use conforms to the land use plan.
- B. Neighborhood Compatibility:
 - 1. The zone district in this area is the Forest and Agriculture Management (FAM)-3 zone district.
 - 2. The property meets minimum zone district requirements which are nine acres and 300 feet in width.
 - 3. The development of the property is located just over 400 feet from the West Branch Knife River.
 - 4. Much of this area consists of rural residential development.

5. The use is compatible with the existing neighborhood.

C. Orderly Development:

1. The area has low development density. Most of the parcels in the area meet or exceed the minimum size requirements. Any future development will likely be located on large parcels that meet zoning minimums.
2. The proposed use requires a conditional use permit but would be similar in nature to other short-term rental uses.
 - a. The main difference compared to many short-term rentals would be the frequency of rental.
 - b. There is opportunity for other similar uses in the area due to the zoning.
3. The use will not impede the normal and orderly development and improvement of the surrounding area.

D. Desired Pattern of Development:

1. The existing pattern of development is rural residential development on large tracts of land.
2. Because this area is zoned a majority Forest and Agricultural Management, a variety of future uses would be allowed and encouraged where appropriate in the area. In the event new uses are proposed, they will likely be located on parcels that meet minimum size standards.
3. The location and character of the proposed use is considered consistent with a desirable pattern of development.

E. Other Factors:

1. The application indicates that there are three bedrooms on the site and the requested occupancy is six people.
 - a. St. Louis County On-Site Wastewater has passed record review of the septic system and determined a maximum occupancy of six.
2. Although this is technically not a short-term rental, some of the short-term rental standards and conditions, including the occupancy standards, may be appropriate.

The following conditions shall apply:

1. The permittee/owner/operator shall post within the rental unit the rules and regulations and emergency contact information for police, fire, hospital, septic tank pumper, and permittee/owner/operator.
2. The permittee/owner/operator shall provide the St. Louis County Planning and Community Development Director with current contact information for person(s) responsible for property management.
3. The permittee/owner/operator shall provide a visual demarcation of the property lines.
4. All local, state and federal requirements shall be followed for taxing, licensing, permitting and other applicable requirements.
5. General liability insurance covering the property, including its use as a commercial rental dwelling, shall be maintained in an amount consistent with St. Louis County Board coverage requirements; a copy of the insurance policy shall be provided to and on file with the County.

6. The permittee/owner/operator shall obtain and maintain an applicable Minnesota Department of Health Lodging License and other applicable licenses. Copy of current license(s) shall be provided to and on file with the County prior to issuance of permit by the County. Applicable licenses shall be posted in a prominent location within the dwelling unit(s).
7. A Minnesota tax identification number and other applicable identification numbers must be provided to the St. Louis County Planning and Community Development Director prior to issuance of permit.
8. Disposal of solid waste must comply with St. Louis County Solid Waste Ordinance 45, or its successor or replacement.
9. The site shall provide on-site parking sufficient to accommodate the occupants of the rental dwelling unit.
10. No person shall, for the purpose of camping, lodging, or residing therein, leave or park a vehicle or motor vehicle on or within the limits of any road or on any road right-of-way.
11. All other local, county, state and federal regulations shall be met.

In Favor: Coombe, Filipovich, Manick, McKenzie, Nelson, Pollock, Skraba, Svatos, Werschay - 9

Opposed: None - 0

Motion carries 9-0

Motion to adjourn by Skraba. The meeting was adjourned at 10:00 AM.