

MINUTES OF A PUBLIC HEARING CONDUCTED BY THE ST. LOUIS COUNTY PLANNING COMMISSION HELD VIRTUALLY VIA WEBEX AND IN-PERSON AT THE ST. LOUIS COUNTY GOVERNMENT SERVICES CENTER, LIZ PREBICH ROOM, VIRGINIA, MN ON THURSDAY, DECEMBER 8, 2022.

9:02 AM – 10:30 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

Also present: Matthew Johnson, Director of Planning and Community Development Department and Ryan Logan, Onsite Wastewater Manager

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

NEW BUSINESS:

- A. Addie Wales, a conditional use permit for a commercial rental dwelling as a Commercial, Retail, and Service Establishments Use - Class II.
- B. Thomas Schlotec, a conditional use permit for a commercial rental dwelling as a Commercial, Retail, and Service Establishments Use - Class II.

OTHER BUSINESS:

Motion by McKenzie/Svatos to approve the corrected minutes of the November 10, 2022 meeting.

In Favor: Coombe, Filipovich, Manick, McKenzie, Pollock, Skraba, Svatos, Werschay - 8

Opposed: None – 0

Abstained: Nelson - 1

Motion carried 8-0-1

Matthew Johnson, Planning Director, stated for days with larger agendas, it may be better to separate the Planning Commission and Board of Adjustment hearings onto separate days. This would also include a per diem raise to \$150 per meeting. On days where the agenda is lighter, both hearings would be held on the same day. The per diem increase resolution could go before the St. Louis County Board in January 2023.

Matthew Johnson stated the Zoning Ordinance 62 revisions for short term rentals will go before the St. Louis County Board on January 10, 2023. While some townships have issues with accepting

short term rental applications, the county is still the zoning authority. Commissioner *Nelson* noted that some townships are getting their information from the Minnesota Association of Townships.

Matthew Johnson read a letter from a county landowner that was sent to him. A landowner recently purchased property and found out a variance was denied after the fact, and they were unable to apply for the same project.

Ryan Logan, Onsite Wastewater Manager, stated SSTS Ordinance 61 amendments are underway and requested a Planning Commission workshop on January 12, 2023. The goal is to get full approval of these SSTS Ordinance 61 amendments before the 2023 season begins.

Jenny Bourbonais, Acting Secretary, noted there is one Planning Commission case for January 12, 2023, in addition to the proposed workshop. There are no Board of Adjustment cases. This meeting will be held at the Public Works facility's lower-level training room in Virginia.

The Planning Commission discussed new landowners that purchase property with existing violations or compliance issues. This could be fixed through the variance process. It would allow properties to be developed or re-developed even if there are existing issues. *Matthew Johnson* stated that unless St. Louis County determines any permit is part of resolving land use violations. Part of the application will address those issues and a variance may need to be required so that the conditions address those issues. If the issues are simple that can be written into a land use permit, they may not require a variance. This discussion will be continued at the January 12, 2023 meeting. *Jenny Bourbonais* added that staff work extensively with landowners with each situation that comes up. Those that require further guidance may come before the Board of Adjustment.

NEW BUSINESS:

Addie Wales

The first hearing item is for Addie Wales, a conditional use permit for a commercial rental dwelling as a Commercial, Retail, and Service Establishments Use - Class II. The property is located in S14, T62N, R14W (Eagles Nest). *Mark Lindhorst*, St. Louis County Senior Planner, reviewed the staff report as follows:

- A. The applicant is requesting approval to operate two commercial rental dwelling units at 3795 Mud Creek Road 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. There is sufficient lot area per structure to equal the minimum Multiple Use (MU)-4 dimensional standards of 4.5 acres and 300 feet of lot width, which allows for two principal dwellings.
- C. Since this is primarily a rental, the use is considered a Commercial, Retail, and Service Establishments Use-Class II.
- D. 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, which are also commercial uses.
- E. The property is heavily wooded with good screening from adjacent parcels.
- F. The property has very steep slope. The cabin sites are located on a fairly level area.

Mark Lindhorst 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 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 property is within the Lakeshore Development Area identified in the St. Louis County Comprehensive Land Use Plan. This category recognizes the ability of existing recreational or tourist facilities to grow and for new complimentary uses to develop.

B. Neighborhood Compatibility:

1. The subject parcel is located north of Armstrong Lake where development density is low. Density is higher south of Highway 169 where parcels are mainly utilized for seasonal and residential shoreland use.
2. The subject parcel is located approximately 850 feet north of Armstrong Lake.
3. The proposed commercial rental is an allowed use in the Multiple Use (MU) zone district provided a conditional use permit is granted.

C. Orderly Development:

1. The riparian parcels in the immediate area are zoned Shoreland Multiple Use (SMU). Nonriparian parcels north of Highway 169, including the subject parcel, are zoned Multiple Use (MU).
 - a. Due to the underlying zoning, future development may consist of a variety of uses. Most of the riparian lots in the immediate area have established residential uses on them.

D. Desired Pattern of Development:

1. The underlying Multiple Use zoning may allow a wide range of uses.
2. Development patterns in the immediate area are established seasonal and year-round residential uses. Most of these residential uses are located south of Highway 169 on Armstrong Lake.
3. The property is located within the Lakeshore Development Areas which is intended for rural development adjacent to lakes, including infill, new development, or redevelopment of existing residential, commercial, or mixed-use areas.

E. Other Factor:

1. St. Louis County On-Site Wastewater passed record review of the septic system and determined a maximum occupancy of four persons per cabin for a total occupancy of eight.

Mark Lindhorst noted no items of correspondence.

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 and St. Louis County shall be listed as an Additional Party of Interest; a copy of the insurance policy shall be provided to and on file with the County.
6. It shall be the permittee/owner/operator's responsibility to secure necessary concurrent permits, including, but not limited to, Minnesota Department of Health Lodging License.
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. St. Louis County On-Site Wastewater SSTS standards shall be followed.
9. Disposal of solid waste must comply with St. Louis County Solid Waste Ordinance 45, or its successor or replacement.
10. The site shall provide on-site parking sufficient to accommodate the occupants of the rental dwelling unit.
11. 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.
12. All other local, county, state and federal regulations shall be met.

Addie Wales, 2137 Duluth Place, Maplewood MN, the applicant, stated their septic system conforms for eight people with four total bedrooms. This system will cover both proposed cabins. They are responsible hosts and will follow all rules and regulations. Their guests will be aware of the rules and conditions of the area.

One virtual audience member spoke.

John Segari, 819 NW 2nd Avenue, Grand Rapids, stated his question is about the visual demarcation of the property line. Their property is to the north of the applicant's parcel. They do not anticipate any issues, but they want the line to be marked.

The *Planning Commission* discussed the following:

- A. Commission member *Filipovich* asked if there is any square footage or bedrooms needed for anyone to stay on this property. *Mark Lindhorst* stated that the Minnesota Department of Health will regulate any licenses. The county would not regulate the size of bedrooms in the cabin. The septic system was permitted for the first cabin and the landowners intend to build a second cabin in spring 2023. The only thing that would limit the size of structure is lot coverage. There is more than enough acreage that this would not be an issue.
- B. Commission member *Skraba* asked if the applicant was aware that Mud Creek Road ATV use on the road is allowed. *Addie Wales* stated they are aware of this and that has not been an issue at their other cabin. Their guests are told to look out for ATVs.
- C. *Mark Lindhorst* stated that the applicant could find the exact location of the property line and add a 'no trespassing' sign for private property. The slope in this area is 40 to 45 percent.

DECISION

Motion by McKenzie/Svatos 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 in this zone district with a conditional use permit.
 - 4. The proposed commercial rental is an allowed use in a Multiple Use zone district with a conditional use permit.
 - 5. The St. Louis County Comprehensive Land Use Plan calls for more lodging opportunities for tourists but also calls for regulating the short term rental industry because of concerns about overcrowding, wastewater, etc.
 - 6. The use conforms to the land use plan.
- B. Neighborhood Compatibility:
 - 1. The proposed use is on a nonriparian property and development density is low. The development density of nearby lakes is greater.
 - 2. The use is compatible with the existing neighborhood if operated properly and if standards are met.
- C. Orderly Development:
 - 1. The zone district allows for a wide variety of uses. Riparian parcels nearby are likely to see greater development.
 - 2. The use will not impede the normal and orderly development and improvement of the surrounding area.

D. Desired Pattern of Development:

1. The zone district can accommodate a wide variety of uses, but development is most likely to be south of Highway 169 on nearby lakes.
2. The location and character of the proposed use is considered consistent with a desirable pattern of development.

E. Other Factor:

1. No correspondence was received on this case.

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 and St. Louis County shall be listed as an Additional Party of Interest; a copy of the insurance policy shall be provided to and on file with the County.
6. It shall be the permittee/owner/operator's responsibility to secure necessary concurrent permits, including, but not limited to, Minnesota Department of Health Lodging License.
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. St. Louis County On-Site Wastewater SSTS standards shall be followed.
9. Disposal of solid waste must comply with St. Louis County Solid Waste Ordinance 45, or its successor or replacement.
10. The site shall provide on-site parking sufficient to accommodate the occupants of the rental dwelling unit.
11. 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.
12. 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

Thomas Schlotec

The second hearing item is for Thomas Schlotec, a conditional use permit for a commercial rental dwelling as a Commercial, Retail, and Service Establishments Use - Class II. The property is

located in S25, T67N, R17W (Crane Lake). Commission member *Skraba* and Commissioner *Nelson* both disclosed they know the applicant. The Planning Commission did not ask that they recuse themselves from the hearing. *Mark Lindhorst*, St. Louis County Planner, reviewed the staff report as follows:

- A. The applicant is requesting approval to operate a commercial rental dwelling unit at 7514 Rocky Road 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. Since this is primarily a rental, the use is considered a Commercial, Retail, and Service Establishments Use - Class II.
- C. 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, which are also commercial uses.
- D. The parcel contains a dwelling and is serviced by the Crane Lake Sanitary District.
- E. Screening from adjacent properties and the road is provided by existing vegetation.
- F. The cabin is located within a steep slope on a nonriparian property.

Mark Lindhorst reviewed staff facts and findings as follows:

- A. Plans and Official Controls:
 - 1. St. Louis County Zoning Ordinance 62, Section 6.32, states 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. St. Louis County Zoning Ordinance 62, Section 5.6, states that a Commercial, Retail and Service Establishments Use - Class II is an allowed in this zone district with a conditional use permit.
 - 3. 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.
 - 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 Shoreland Multiple Use which allows a wide range of uses.
 - 2. The area consists of primarily seasonal and year-round residential uses.
 - 3. The subject parcel is nonriparian and is located approximately 350 feet from Crane Lake.
 - 4. Handberg Marine is located one-quarter mile to the north.
- C. Orderly Development:
 - 1. All the parcels in the immediate area are zoned Shoreland Multiple Use.
 - 2. Due to the underlying zoning, future development may consist of a variety of uses including both commercial and residential uses.
- D. Desired Pattern of Development:
 - 1. The existing pattern of development includes primarily residential uses.

2. Because this area is zoned Shoreland Multiple Use, a variety of future uses would be allowed and encouraged where appropriate in the area.

E. Other Factors:

1. The applicant indicates that there are three bedrooms on site and the requested occupancy is 13 people.
 - a. Crane Lake Sanitary District will set the official maximum occupancy.
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.

Mark Lindhorst noted two items of correspondence from Matt and Mary Tomasko with concerns about the request and from the Crane Lake Water and Sanitary District stating the proposal may be issued as proposed. 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, 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 and St. Louis County shall be listed as an Additional Party of Interest; a copy of the insurance policy shall be provided to and on file with the County.
6. It shall be the permittee/owner/operator's responsibility to secure necessary concurrent permits, including, but not limited to, Minnesota Department of Health Lodging License.
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. Crane Lake Water and Sanitary District standards shall be followed.
9. Disposal of solid waste must comply with St. Louis County Solid Waste Ordinance 45, or its successor or replacement.
10. The site shall provide on-site parking sufficient to accommodate the occupants of the rental dwelling unit.
11. 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.
12. All other local, county, state and federal regulations shall be met.

Thomas Schlote, 8850 Wolf Road, Iron, the applicant, stated this property will be well taken care of and is a big investment. They understand the noise issue which involved a fire pit and outdoor music. They have taken care of this issue and will work to make sure it will not happen here. They

have owned this property for a couple years. They updated the exterior of the house, they maintain the yard.

No audience members spoke.

The *Planning Commission* discussed the following:

- A. Commission member *Skraba* asked if there are restrictions on noise. *Mark Lindhorst* stated those standards are set by the landowner. The landowners will be notified if there are noise complaints. This could affect their ability to rent the property. The county does not have noise standards.
- B. Commission member *Skraba* asked if there are requirements about storing garbage in bear-proof containers. *Mark Lindhorst* stated there are no requirements on that.
- C. Commission member *Svatos* asked if the landowner has another cabin in the area. *Thomas Schlotec* stated they have a cabin that has been in the family for generations. That property is not part of this request and is not adjacent to the rental property but located in Crane Lake.

DECISION

Motion by Manick/Pollock 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 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. St. Louis County Zoning Ordinance 62, Section 5.6, states that a Commercial, Retail and Service Establishments Use - Class II is an allowed in this zone district with a conditional use permit.
 - 3. The use conforms to the land use plan.
- B. Neighborhood Compatibility:
 - 1. The zone district in this area is Shoreland Multiple Use which allows a wide range of uses.
 - 2. The area consists of primarily seasonal and year-round residential uses.
 - 3. The subject parcel is nonriparian and is located approximately 350 feet from Crane Lake.
 - 4. Handberg Marine is located one-quarter mile to the north.
 - 5. Crane Lake has a mixture of commercial, residential, lodging and seasonal uses.
 - 6. The use is compatible with the existing neighborhood.
- C. Orderly Development:
 - 1. All the parcels in the immediate area are zoned Shoreland Multiple Use.
 - 2. Due to the underlying zoning, future development may consist of a variety of uses including both commercial and residential uses.
 - 3. There are multiple uses in the area including commercial, residential year-round, lodging and seasonal.

4. 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 includes primarily residential uses.
2. Because this area is zoned Shoreland Multiple Use, a variety of futures uses would be allowed and encouraged where appropriate in the area.
3. The location and character of the proposed use is considered consistent with a desirable pattern of development.

E. Other Factor:

1. Crane Lake Sanitary District will set the official maximum occupancy.

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, 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 and St. Louis County shall be listed as an Additional Party of Interest; a copy of the insurance policy shall be provided to and on file with the County.
6. It shall be the permittee/owner/operator's responsibility to secure necessary concurrent permits, including, but not limited to, Minnesota Department of Health Lodging License.
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. Crane Lake Water and Sanitary District standards shall be followed.
9. Disposal of solid waste must comply with St. Louis County Solid Waste Ordinance 45, or its successor or replacement.
10. The site shall provide on-site parking sufficient to accommodate the occupants of the rental dwelling unit.
11. 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.
12. 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 Svatos. The meeting was adjourned at 10:30 AM.