

Pursuant to due call and notice thereof, a Council Workshop of the North Mankato City Council was held in the Municipal Building Council Chambers on June 18, 2018. Mayor Dehen called the meeting to order at 6:00 p.m. The following were present for roll call: Mayor Dehen, Council Members Norland, Whitlock, Steiner, City Administrator Harrenstein, Finance Director McCann, Community Development Director Fischer and City Clerk Van Genderen. Absent: Council Member Freyberg

Discuss Short Term Rentals.

Community Development Director Fischer reported staff knew of approximately six homes in North Mankato that were advertised as Airbnb. With this knowledge, the City conducted research and contacted other cities and met with the County before putting together the proposed framework. The proposed Ordinance would require anyone interested in a short-term rental to obtain a Conditional Use Permit. Neighbors would also be notified, and inspections of each unit conducted. City Administrator Harrenstein requested clarification on if the Council would like to regulate Airbnbs as they are currently not subject to code guidelines. City Administrator Harrenstein questioned if the Council would like to consider regulating, then the Planning Commission would review the program and send a recommendation to Council.

Council Member Norland indicated she would like to hear more about the pros and cons and requested it go to the Planning Commission. Mayor Dehen noted he had seen regulations that managed short-term rentals with three designations; hosted, non-hosted where the owner is gone when the home is rented and purely short-term rentals. Council Member Whitlock requested clarification on if there would be a fee for a conditional use permit. Community Director Fischer noted there would be a fee to apply for a Conditional Use Permit. Discussion was held concerning ensuring units were inspected to protect renters and Council moved the Short Term Rentals to the Planning Commission for further study and review.

Discuss Request for Proposal to Move 850 Nicollet Avenue.

City Administrator Harrenstein reported the City purchased 850 Nicollet Avenue which is located east of water plant #1 to ensure the City can expand the water plant to provide water quality if needed. The home is currently vacant, and the City has offered its availability to state-owned facilities for vulnerable individuals. City Administrator Harrenstein noted an alternative would be to issue an RFP for someone to move the house. He indicated the City would not get what was paid for the property, but the home would not sit empty. Mayor Dehen requested if there was interest in the home. Community Development Director Fischer reported there was some interest in the home. Mayor Dehen indicated he would like to see the home used and not left vacant to deteriorate. The Mayor and Council Members requested staff prepare an RFP for consideration.

Review Rental Density Committee Final Report

Community Development Director Fischer reported the committee was formed following amendments in September of 2016 to the Rental Property Licensing Code. The amendments included a 10% rental density limitation in R-A, R-1, R-1S and R-2 zoning districts. The Rental Density Advisory Committee was created to review the changes. The Committee included two homeowners, a renter, a landlord, a real estate agent and a rental management professional. They met six times to review the changes. The committee commented and recommended the following information: affirmed the off-street parking amendment based on the square footage of sleeping rooms, required inspections before new rental licenses are issued, and the implementation of rental inspections of current rentals (using volunteer firefighters), improved resources for tenants, and improved landlord

education. The committee reaffirmed the 10% rental density in areas zoned R-A, R-1, R-1S and R-2 zoning districts. The committee further recommended increasing the rental licensing fee from \$30.00 to \$45.00. Mayor Dehen requested clarification on how the Fire Department was doing on conducting rental inspections. Community Development Director Fischer reported headway is being made and problems are being found and resolved. Mayor Dehen opened the meeting to the public.

Tom Hagen, 927 Lake Street, appeared before Council and indicated he did not approve of the report and requested further review.

Fardousa Jama, Mankato, appeared before Council and requested additional review of the 10% Rental Density Cap.

Mayor Dehen requested information on rental complaints. Community Development Director Fischer reported that during each committee meeting the committee reviewed complaints. Mayor Dehen asked for information on if there were concerns about not being able to obtain a rental license. Community Development Director Fischer reported the City is still issuing licenses where permitted and there have not been any concerns. Mayor Dehen and Council Members requested a report on the number of rental licenses issued since the Rental Density Cap, the number of complaints, and the number of violations.

Discuss Nature View Subdivision Sign

City Administrator Harrenstein reported in May of 2018 the Council executed a license agreement with Nature View Subdivision for Outlot E. The license agreement allowed the use of the City-owned property for a sign for Nature View Subdivision and included stipulations ensuring the City could require the removal of the sign if necessary. The developer reviewed the agreement and determined he did not like the stipulations and is offering to purchase the property. City Administrator Harrenstein said City Engineer Sarff determined the Special Assessments for the property would be \$5,675.00. The lot would be assessed the street improvement based on calculations that acknowledged no house could be built on the lot. City Administrator Harrenstein reported City records indicate the property was acquired in 1988 and the City did not pay for the purchase of the property. City Administrator Harrenstein stated the process would include setting a Public Hearing for July 2, 2018, at which time the sale could be coordinated. Council directed staff to proceed with setting a Public Hearing for July 2, 2018.

Discuss Filling Police Officer Position

City Administrator Harrenstein reported the 2018 Budget included an additional Police Officer. The City determined to wait until mid-year to review the financial position of the City, and at this time the Finance Director and City Administrator have determined the City could authorize the hiring without it being burdensome. Mayor Dehen requested clarification on if the position would be a school resource position. City Administrator Harrenstein indicated staff would prefer a full-time position to assist the department. He reported Officers do enter the schools and create those connections. Council agreed that it would be beneficial to hire a new Police Officer.

Mayor Dehen closed the Council Workshop at 7:32 p.m.

Mayor

City Clerk