

Minutes
of the
NORTH MANKATO PLANNING COMMISSION MEETING
North Mankato, Minnesota
July 12, 2018

A regular meeting of the North Mankato Planning Commission was held at 7 p.m., July 12, 2018, in the Council Chambers of the Municipal Building.

Planning Commission Members present: Chair Stephanie Stoffel, Isaac Kerry, Corey Brunton, Randy King, Bryan Bode, and Jason Beal. Staff Members present: Council Liason Jim Whitlock, City Attorney Mike Kennedy and Community Development Director Mike Fischer.

A motion was made by Commissioner Beal, seconded by Commissioner Bode to approve the minutes of the May 10, 2018, regular meeting of the Planning Commission. Vote on the motion: all ayes, 0 nays; motion carried.

Request to Amend City Code Chapter 156 Pertaining to Fencing of Swimming Pools

Staff presented a request from Bryan Sowers at 23 Kelly Court to amend City Code Chapter 156 pertaining to fencing of in-ground swimming pools in residential districts. Staff summarized the existing code regulations which require a 6-foot high fence to be installed around all in-ground swimming pools in residential districts. The applicant is requesting a City Code amendment which would allow the option of either using a 6-foot high fence or an ASTM certified automatic pool cover. The Planning Commission held discussions regarding other City/County regulations for protection of swimming pools, maintenance of automatic pool covers, permitting of swimming pools and covers and City inspections of pool covers. Bryan Sowers referenced that other Minnesota Cities and Counties had changed regulations to accommodate automatic pool covers, indicated that safety had been proven for automatic pool covers, referenced ASTM standards for pool covers, noted that the majority of drownings occur when fences are used around pools and stated that energy costs are less with pool covers. Mr. Sowers summarized the key system used for automatic pool covers and how they can be used manually if not operational. The Planning Commission held discussions regarding potential annual inspections of automatic pool covers, what happens if they are not closed when not in use and neighborhood concerns for safety and privacy. The Planning Commission had continued discussion regarding the safety of fences and possible City Code amendments to require gates to be self-closing and have positive latching. After continued discussions regarding the permitting of ASTM certified pool covers by other local units of government, environmental benefits of pool covers and general safety, it was moved by Commissioner Brunton, seconded by Commissioner Bode to recommend approval of City Code language to allow the use of ASTM certified automatic pool covers for in-ground swimming pools as an alternative to fencing. Vote on the motion: Kerry, Brunton, Bode, Beal, and Stoffel voting aye; King nay; motion carried.

Short Term Rental Ordinance

Staff presented the framework for a Short Term Rental Ordinance based on the presence of Airbnb's advertised for rent in North Mankato. As proposed, staff recommends that short-term rentals be permitted by Conditional Use Permits (CUP), leading to a discussion of that process and costs associated with CUP applications. The Planning Commission held considerable discussions regarding licensing for traditional residential rentals, City building inspections of rental dwellings, parking, different classifications of short-term rentals, lodging taxes and the potential to issue licenses for short-term rentals versus CUP's. Stefanie Jaquette, 509 Wheeler Avenue questioned if the permitting of short-term rentals would affect the rental density cap. Lucy Lowry, 2263 North Ridge Drive, questioned if Airbnb's need to be registered with any Airbnb association. After continued discussion regarding property rights, absentee owners, lodging taxes, licensing and enforcement of short-term rentals, the Planning Commission took no action on the issue and will revisit the ordinance in the future.

Review of Commerce Drive Plan

Matt Lassonde from Bolton & Menk presented the Area Design chapter of the Commerce Drive Plan, survey results and pedestrian counts. Mr. Lassonde summarized past stakeholder and citizen meetings used to gain comments to guide the plan. Mr. Lassonde talked about cohesive design, Commerce Drive as a destination, beautification, improved pedestrian accessibility, creation of a business association and access issues. Stefanie Jaquette, 509 Wheeler Avenue questioned the referenced connection between Commerce Drive and Caswell Park. Barb Church, 102 Wheeler Avenue stated there was a previous association called Commerce on Commerce. Lucy Lowry, 2263 North Ridge Drive stated she is excited about the planning process and supportive of certain access closures. Mr. Lassonde stated he would continue to finalize a draft plan including appendices for Planning Commission review in the future.

Other Business

There being no further business, it was moved by Commissioner Kerry, seconded by Commissioner King to adjourn. Vote on the motion: all ayes, 0 nays; motion carried. The meeting was adjourned at 8:35 p.m.

Chairperson

Secretary

PRELIMINARY & FINAL PLAT OF NATURE VIEW SUBDIVISION
NO. 3

A REQUEST FROM MICK MONTAG

THE CITY OF NORTH MANKATO

SUBJECT: Preliminary & Final Plat of Nature View Subdivision
No. 3

APPLICANT: Mick Montag

LOCATION: Lot 10, Block 2 and Outlot E, Nature View Subdivision
No. 2

EXISTING ZONING: R-1, One-Family Dwelling

DATE OF HEARING: August 16, 2018

DATE OF REPORT: August 3, 2018

REPORTED BY: Mike Fischer, Community Development Director

APPLICATION SUBMITTED

Request to replat Lot 10, Block 2 and Outlot E of Nature View Subdivision No. 2

COMMENT

In February of 2018, the applicant received final plat approval of Nature View Subdivision No. 2 as shown on Exhibit A. The plat consisted of ten (10) new lots for future single-family residential development and several outlots for ravine maintenance, storm water detention and open space. At the time of platting, Outlot E was owned by the City as vacated right-of-way and has since been sold to the applicant. The property will become the site of a stone monument sign to identify the subdivision. As all of Outlot E is not needed for the sign, the applicant is proposing to combine a portion of Outlot E with the adjacent Lot 10, Block 2 as shown on Exhibit B (Nature View Subdivision No.3). As a result, Lot 10, Block 2 and Outlot E of Nature View Subdivision No. 2 will become Lot 1, Block 1 and Outlot A, Nature View Subdivision No. 3. The proposed location of a new home on Lot 1, Block 1 and the monument sign on Outlot A, Nature View Subdivision No. 3 is shown on Exhibit C.

RECOMMENDATION

Staff recommends approval of the Preliminary & Final Plat of Nature View Subdivision No. 3.

SHORT TERM RENTAL ORDINANCE

THE CITY OF NORTH MANKATO

SUBJECT: Short Term Rental Ordinance
APPLICANT: City of North Mankato
LOCATION: City Wide
EXISTING ZONING: NA
DATE OF HEARING: August 16, 2018
DATE OF REPORT: August 3, 2018
REPORTED BY: Mike Fischer, Community Development Director

APPLICATION SUBMITTED

Request to consider short-term rental ordinance

COMMENT

In July of 2018, staff presented a draft Short-Term Rental (STR) Ordinance for Planning Commission consideration. While there was considerable discussion regarding the Short-Term Rental issue, the Planning Commission took no action on the proposed ordinance. A summary of the Planning Commission discussion was shared with the City Council at a July meeting and the Council asked that the Planning Commission continue discussion regarding the regulation of short-term rentals.

With STR's, there are questions whether they are a compatible land use within residential neighborhoods, at what point are they commercial uses of residential property and does the use disrupt the typical residential character of a residential neighborhood? To date, the City has not received any complaints regarding STR's in the City.

While STR's can be alternative's for lodging options within the City, they are not specifically addressed in the City Code. Therefore, as staff does not recommend prohibiting them, we believe they should be regulated in the City Code. Attached as Exhibit A is a draft of a new City Code section pertaining to short-term rentals. As proposed, SRT's would need to obtain a Conditional Use Permit (CUP) to operate in residential zoning districts. As part of the CUP process, area property owners near the proposed STR would be notified of the CUP request to operate a STR in their neighborhood and have the opportunity to comment. Regulation by CUP would give the City the ability to impose certain conditions on the operation of STR's including mandatory building inspections prior to occupancy.

Also, should there be issues at the STR, the City would have the ability to revisit the CUP. An alternative discussed by the Planning Commission was to issue licenses for all STR's.

As proposed within the draft regulations, it is suggested that the owner of the STR reside in the dwelling when not rented. As staff has had the opportunity to research how other cities regulate STR's, the following are various ways used to regulate the owner's occupancy:

- * Hosted, in which the homeowner is present during the entire visit
- * Unhosted, in which the primary resident of the property is not present
- * Dedicated, in which the property is not the homeowner's primary residence

Attached are comments received from two North Mankato Airbnb operators.

RECOMMENDATION

Staff recommends the Planning Commission continue discussion related to the regulations for Short-Term Rentals

CHAPTER 156.058 SHORT TERM RENTALS**Purpose:**

(A) The City finds that short-term rentals located in residential zoning districts constitute commercial use of residential property which is inconsistent with the residential nature of the zoning districts. Therefore, in order to protect the residential character of the City's residential districts, the City determines that it is appropriate to regulate short-term rentals by conditional use permit

Definition:

SHORT-TERM RENTAL: A dwelling unit or a portion of a dwelling unit rented for a period of less than thirty (30) days.

Permit Required:

(A) No owner of a short-term rental located within a residential zoning district shall rent, offer for rent, or advertise for rent to another person without first obtaining a conditional use permit in accordance with Section 156.055. In addition to the conditional use permit, all short-term rental dwellings will be subject to inspection by the Building Official or Building Inspector.

Generally:

(A) The following are applicable to all short-term rental dwellings:

1. The owner shall reside in the dwelling when not rented.
2. Off-street parking shall be provided to the renters
3. The dwelling shall not be used for commercial events or receptions such as weddings, reunions or parties
4. The dwelling shall be rented for a period of less than thirty (30) days
5. Short-term rental are not subject to the rental density provisions.
6. Recreational vehicles (RV's), campers, tents or travel trailers shall not be used for short-term rental purposes
7. No sign identifying a short-term rental is permitted
8. No short-term dwelling shall be occupied until a certificate of occupancy has been issued

Violation:

(A) Separate offenses. Each day a violation of this chapter is committed or permitted to

continue shall constitute a separate offense and shall be punishable as under this section.

(B) Misdemeanor. Violation of this chapter shall constitute a misdemeanor punishable by a fine of up to \$1,000 or imprisonment for up to 90 days.

Dear City Council Members,

I want to begin by thanking you for taking the time to read this letter and take it into your consideration as you talk about the best way for to move forward in regard to Airbnb properties in North Mankato. I am thankful that you have not only opened up but sincerely welcomed a dialogue about this topic.

My wife and I own a duplex located at 325 McKinley Ave that we purchased in just the last few years. I have lived in North Mankato my entire life. I love this city and will always call it home. I graduated from Mankato West, MSU, and then worked as a pastor at New Creation World Outreach Church for almost six years. Then last year I was unexpectedly offered a job in Colorado Springs and took it. As we prepared to move we had hoped to get a second rental license on our property but were denied. We were thus faced with three options: Sell the property, let one entire unit sit empty, or turn it into an Airbnb. We decided to try Airbnb. We proceeded by hiring local businesses to make sure everything with the house is taken care of since we are long distance owners now.

We have been using the upper unit of the house as an Airbnb since the beginning of this year. When we listed our property on Airbnb's site we quickly saw a trend in the requests we were getting. Almost everyone that was requesting our space was either moving into the North Mankato area and needed a place to land while they found temporary housing or were moving out of the city and needed short term housing while they found a new residence in their new city. In speaking with them they have raved about how great the service is for their situation. Thus we have seen it to be a great way to either welcome or say goodbye to members of our community.

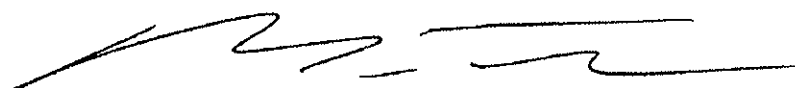
This trend has been so prevalent that we have actually removed the ability to book our property for simply a weekend. By doing this we stay away from any young people looking to simply come visit friends and party. I know everyone involved wants to keep the neighborhoods of North Mankato family friendly, safe, quiet, and peaceable. We have taken all of the steps necessary on our end to make sure that happens.

Based on our experience and what I mentioned above I'd ask you to take into consideration the following as you discuss any future policy or regulation regarding Airbnb:

1. Airbnb has allowed us to employ members of the community
2. None of our renters are "weekenders" or parties.
3. All of our guests are what Airbnb classifies as "long term" (anyone who stays more than a week). These are typically families and the type of guest we want to have.
4. Any policy that would try to restrict a guest's length of stay could actually have an adverse effect by limiting the Airbnb market to only short term stays, which are more likely to be parties of some kind.

Thank you again for taking the time to read this letter and I look forward to working together to find a positive solution for all sides. I would be more than happy to offer any other information, insight, or opinion that you might find helpful to make a decision. I've included my contact information at the bottom of this letter.

Thank you,



Maxwell G. Thomas
maxwellgthomas@gmail.com
507-720-7740

Michael Fischer

From: Tom Koch <Tom.Koch@ridleyinc.com>
Sent: Thursday, July 19, 2018 5:49 PM
To: michael@northmankato.com
Subject: Airbnb - short term rentals

Good afternoon Mike,

The purpose of this message is to respond to your June 29th letter regarding short term rentals. I am sorry for the delay and hope the hearings were informative. Thank you for the opportunity to comment, even though the hearings have closed I thought I would pass along my thoughts and comments for what they are worth.

My wife and I rented our home via Airbnb 3 to 4 time per year for the past 3 years. Earlier this year, prior to receiving your letter, we made the decision to stop renting our home at the end of 2018. We have one more set of guests coming later this year, once that is complete we plan to delist our home.

We signed up to rent our home just after we started to use Airbnb as we traveled on vacations and weekend get-a-ways. We really enjoyed it and thought that we should participate more fully in the sharing economy. We decided to stop because our schedules have made the work of preparing (cleaning, communicating) not worth the time. I'm not bragging or complaining – just as an explanation – I have had 38 flights on Delta thus far in 2018 and have two trips scheduled for next week.

We initially thought that we would sign up and see if any Viking fans would rent our place. Our plans were to simply go to a resort over the same period and use the Airbnb funds to offset the cost. We have never rented to any Vikings fans. The majority of our guests have been attending weddings, funeral/memorial services or class reunions and want the family space our home offers (5 bedrooms, 3 ½ baths, can park up to six vehicles in our driveway). We have been surprised at the level of interest and could have easily rented it out much more than we have.

We had one issue with one guest who invited other wedding attendees to our home. We understand from neighbors that it was almost a family reunion. No major issues although we promptly amended our policy to not allow any guests or visitors other than those pre-approved and staying in our home.

We were selective with our guests as most used our home while we were gone. We did not have not had any problems, in fact, our home was in as good or better condition than when we left. We did not allow bachelorette parties, college groups or fishing parties or similar groups. Airbnb does a good job of allowing renters to provide feedback on guests and this helps to prevent and weed out problems.

My overall suggestion if the city decides to regulate is to keep the regulations to a bare minimum. It would certainly not be right if Airbnb guests' bothers neighbors, other than that my basic belief is that the owners should be allowed to use their homes for any legal manner as they wish. I believe North Mankato is well managed and a great place to live and want to keep it so, at the same time I believe that home owners shouldn't be too confined with their activities by the same entity that sets and enforces property taxes. It is hard to have it both ways, either for the homeowners or the city.

I'd be happy to discuss further if you like, best wishes with your project.

Sincerely,
Tom Koch
507-327-5196