

**Town of Duluth  
Planning Commission  
Meeting Minutes  
March 24, 2022**

The meeting was called to order at 6:30 pm by Acting Chair Dave Edblom.

In attendance: Dave Edblom, Angela Wilson, Pam West, Justin Osadjan, Blane Tetreault, and Dave Meyer.

Absent: No one.

Also attending: Sue Lawson, Planning Director and Liz Strohmayer, Planning Assistant.

The agenda was approved as presented.

The minutes were approved as presented.

**Decision: Sorenson High-Frequency Short-Term Rental Conditional Use Application**

The decision on Brian and Kristi Sorenson's application for a conditional use for a high-frequency short-term rental at 5395 North Shore Drive had been tabled at the end of the public hearing held at the last Planning Commission meeting. At tonight's meeting Kristi was present; Brian was unable to attend.

Sue read the Town's communication agreements and reviewed the process for making the decision. She reviewed the February hearing. The Commission had moved to decide the application as an interim use. The Sorensens have since applied for and received a low-frequency short-term rental permit. The lot and the structure are both conforming and meet the dimensional requirements for a high-frequency short-term rental. She showed the vicinity map, the site photo, and distances from the proposed rental to adjacent homes.

The proposed use, as stated in the application is:

We would like to rent the property on a more frequent basis than provided for in the low-use permit. The renters would be family groups, with a minimum renter age of 25 and an occupancy limit of 6 people (3 bed, 1 bath house). ATV or snowmobile use would not be permitted on the premises.

Sue reviewed the operational details. She read the required criteria for approving a conditional/interim use.

Kristi said that they are now under contract with a property manager for the rental.

Beth read an additional email that had been received regarding the proposed rental from Joe Uremovich.

I am a citizen of St. Louis County. I am opposed to the air B and B style glorified hotels that houses are being turned into. My parents live near one of these and it is very troublesome for them. Who among you would like a hotel next to your country house? Traffic, parties, litter, noise pollution, etc. Please do not let this happen.

Kristi reviewed the Community Participation Report. In written testimony from the February hearing, a neighbor, Jared, indicated that if the rental was approved, he wanted a phone number for 24 hour contact. They gave him the number for their property manager at Messina. Messina is a property management company that allows the owner the degree of oversight in vetting renters that they desire. They are not a vacation rental management company. The Sorensens plan to vet potential renters by finding out who will be

coming and what the purpose of their trip is. They want to have the chance to explain that the rental is in a residential neighborhood and that the property and neighbors have to be respected. She wanted to emphasize that they are listening to their neighbors' comments and that they will be good stewards. They confirmed to Jared that they would make it clear that there is no trespassing on neighboring properties. They are willing to post signs at the edge of the lawn. They also contacted Mr. Alercon. They indicated to him that the Commission would determine if the structure meets the criteria for the rental and that there was nothing they could do concerning the behavior of previous owners. She also emphasized to him that they would put up "No Trespassing" signs.

Regarding concerns about the fire pit, Kristi said that if they got the permit, they would be willing to move the firepit and also change the size of it to produce less smoke.

Kristi spoke to the criteria. She said that they believe the traffic coming to the rental would be very consistent with the traffic they would generate as a family of four if they lived there. They believe their proposed use is consistent with the neighborhood because they want to use the home mostly for themselves. She said that in looking at old decisions, she saw that the Township strives to balance everyone's interests. In prior decisions on high-frequency short-term rentals, there has been a precedent of applications being approved when the property meets the standards and the owner is operating in good faith and has an appropriate property management plan. In general, those applications were approved for a 12 month trial period for no less than 120 rental days.

Sue said the Town considers the balance between community needs and rights. She asked how the rental would benefit the community.

Kristi said that small businesses in the area would benefit from a short-term rental. She said that the natural beauty of the area is what attracts people to the North Shore, and once they are here, they will be invested in preserving that beauty which is then an investment in the community.

Kristi said that in reference to balancing community needs versus potential impact, she would be interested in knowing how the impact of existing short-term rentals has been measured.

Sue said that the first criteria in making a decision is to determine if the proposed use is consistent with the Comprehensive Land Use Plan. The CLUP details the policies and values of the Township. The three main values are ruralness, natural environment and community. These values were derived with community input. The process started by asking Town residents one question: What do you value above all else about the Township? Keywords that appeared repeatedly in these comments were words like "uncrowded, undeveloped, privacy, quiet, connections, neighbors, volunteer fire department, elders, school, nature, and Lake Superior." All were considered in determining the vision and policies for the CLUP.

Dave Edblom asked Kristi how she thought her proposed rental fit with the following two policies from the CLUP regarding short-term rentals:

"Ensure that the costs to the Township are outweighed by the benefits of short-term rentals in regard to public safety and Town resources needed to support them."

"Balance the community needs for maintaining ruralness and cohesive neighborhoods with individuals' freedoms to use their property."

Kristi said that without knowing what impact other short-term rentals have had, it is hard to speculate on potential impacts. As to balance, she believes that their rental will allow for people to enjoy the natural

environment. In past documents, she saw that the Town Board believed that a minimum two acre lot size would provide adequate space for a short-term rental. She believes that the fact that the property meets the acreage and setback requirements for a high-frequency short-term rental as determined by the Town, would mean that it is in keeping with the Town's plan.

Pam said that every situation is different. It depends on where a property is, who the neighbors are, who the buyers are. Each proposal is considered on its own merits and is not comparable to another. The Commission's job is to figure out what is going to work out best for everyone, the owners, the community, and the Township.

Liz offered some background. She said that the Commission has been having a lot of discussion regarding short-term rentals. We are all keenly aware of the effects high-frequency short-term rentals have had in other communities and are trying to find a way to keep that from happening here. There are communities where so many of the households have been replaced by short-term rentals that there is no community left. There are housing markets in nearby communities that are being decimated by short-term rentals.

Kristi said that they are not seeking to turn their home into a motel. Their longer-term plan is to move into the home themselves. In the meantime, they want to be here the majority of the time.

Dave Edblom said that the increase in the cost of new home building has been driven by a number of things. He believes that short-term rentals and developers seeking to create short-term rentals are competing with the regular housing market and driving out long-term rentals, especially in destination communities. Short-term rentals are lucrative. He worries about young couples being able to get a start renting or buying a home with rising costs.

Angela said that no single property is going to be the one to completely crash the housing market, but over time, the use of homes being rented as short-term rentals contributes to lowering the chances for someone having the opportunity for renting long term or purchasing a home and thereby becoming a part of the community and using our schools and local businesses and contributing to the community.

Justin said that he looked at the list of neighbors in the notification area and nine of the addresses are out of town. There were three negative responses made by neighbors who live near the home. Everyone who applies for a short-term rental has to complete the community participation report. Sometimes there are no responses at all. He thought it was significant to have three neighbors with concerns.

Jodi Heinzen spoke. She said that it is the residents closest to the proposed rental who have spoken out against it. The rental will not be rented to just families. It will attract fishermen and others. It will be like a motel where you never know who is there. The yard is too close to their house. She will not feel comfortable having her windows open. She won't be able to let her grandchildren play outside unsupervised. It will affect their property value. She has seen incidents on the news where someone comes up to the wrong property and tries to get in. She will not call the property management company; she will call the police.

Michael Heinzen spoke. He said that he wished the Sorensens were moving into the home themselves. On the shore there are often visitors wandering around and using their driveway as a turnaround. The smoke from the firepit nearly always blows into their home. They have burn marks on their deck from one fire a year ago when the owner was burning brush. They will not ever know their neighbors. He questioned if screening will provide the kind of control over renters that the Sorensens hope for. Traffic and pollution have increased significantly over the years. Vehicles coming and going will change the neighborhood for them. Will he need to block his driveway off? They already have one neighbor who lives in the cites and is not up often enough to

take care of his place. Problems keep coming up with that neighbor's property that they have to deal with. He can't see how it would be better with a short-term rental. He said that he had a good conversation with Brian. Brian initially said that they wanted to rent for 200 to 250 days per year. Then he said that the home would be mostly for their own use. The math doesn't work. Not many people want to live next door to a short-term rental. But there is nowhere to go. Property is too high everywhere. It's about money. They want to be able to make money on the home, without regard for the neighborhood, so they can have a vacation place.

Kristi said she has shared everything and they have addressed any concerns that they can. The decision making seems discretionary to her. She asked what combination of regulation, licensing, and oversight would work for the Town to make the decision making less discretionary.

Angela moved that the application for the high-frequency short-term rental be denied. Justin seconded.

Angela moved to split the question. Pam seconded. The motion was approved unanimously.

Blane said that there has been a lot of discussion on this topic. It is clear that the property meets the dimensional standards for a high-frequency short-term rental. But we have to look at the Comprehensive Land Use Plan. This proposed rental is in a dense neighborhood, which makes it have additional impact. And there was a higher negative response rate from neighbors than we typically get. The rental is located such that neighbors can look out their front door and see it.

Dave Meyer said that the applicants are working hard to appease neighbors and decrease the impact on the neighbors. They are also willing to try it for a limited time to see how it goes. For him it is similar to not being able to choose your neighbors. No one can do that. In other places if there are complaints the rental license can be taken away. Oversight of these properties can be difficult. He also doesn't want to overstep the Town's authority over people's properties.

Pam asked about reducing the number of allowed rental days per year to 60 days for the first year. It wouldn't completely alleviate the issues, but would reduce them.

Dave Meyer said that he looked at the property and the homes are close together there. There is some natural screening that helps.

Dave Edblom said that when it comes to compatibility with the existing neighborhood – the existing neighborhood is single-family homes. We talk in the CLUP about focusing on mixed housing opportunities, including having long-term rentals over short-term rentals.

Angela said that there are competing interests, those of neighbors who have lived in the community for a long time and those of someone who will not be a full-time part of the community and will be upsetting the balance of the neighborhood by renting the home on a short-term basis when they are not there. The CLUP emphasizes community and the applicant bears the burden of satisfying that it meets the spirit of the CLUP in promoting community. She finds that the application itself has created the opposite of community. Neighbors who asked for conditions if the rental is inevitable do not count as endorsements of the proposed use.

Angela moved that the proposed use is not consistent with the Comprehensive Plan nor is it within the spirit and intent of the Ordinance because it is not supportive of the ruralness and community of the existing neighborhood. Pam seconded. The motion passed five to one. In favor: Angela, Pam, Dave Edblom, Blane, and Justin. Voting against: Dave Meyer.

The original motion to deny the application for a high-frequency short-term rental passed five to one. In favor: Angela, Pam, Dave Edblom, Blane, Justin. Against: Dave Meyer.

The Commission decided to weigh the remaining criteria for the record.

Angela moved that the use is not compatible with the existing neighborhood because the existing neighborhood is fairly dense and a number of neighbors were in opposition to the proposal. Pam seconded. The motion passed five to one. In favor: Angela, Pam, Dave Edblom, Blane, and Justin. Against: Dave Meyer.

Angela moved that the use will impede the normal and orderly development and improvement of the surrounding area by having more use than would be expected for a full-time resident. Justin seconded. The motion passed unanimously.

Angela moved that the location and character of the proposed use is not consistent with a desirable pattern of development for the area because it is a single-family residence area and the proposed use of a high-frequency short-term is not consistent with the location and character. Pam seconded. The motion passed unanimously.

Angela moved that criteria 5 through 11 are not relevant to this situation. Dave Edblom seconded.

Sue said that the criteria are not necessarily irrelevant as the proposal meets them.

Angela withdrew the motion.

Angela made a motion that we find that factors 5 through 11, as follow, are all met or do not apply: compliance with wetlands; adequate impervious surface; adequate topography, vegetation and soil conditions; no impact to public waters during or after construction; adequate utilities; potential for health and safety, environmental, lighting, noise, signing, or visual problems; and appropriate with respect to existing or future access roads. Blane seconded. The motion passed unanimously.

Pam moved that because of the location of the owners and the fact that they will not be living at the property, more police and fire oversight may be needed. Angela seconded. The motion passed five to one. In favor: Angela, Pam, Dave Edblom, Dave Meyer, and Justin. Against: Blane.

The Commission took a break for the secretary to draft the findings of fact and decision document.

### **Director's Report**

The Commission reviewed St. Louis County's proposed amendment to their subdivision ordinance to allow equal subdivision of a quarter-quarter section or non-shoreland government lot into halves or quarters, provided that zoning requirements are met, and to allow the division of property abutting a road into parcels 4.5 acres or larger and 300 feet or more in width or to meet zoning minimums, whichever is more restrictive. Currently a parcel is allowed to be subdivided into three lots and this change would allow a parcel to be split into 4 lots.

Liz said that there are many landlocked forty-acre parcels throughout the Township. This change would make these parcels more easily split. There are also potential issues in the future over private roads in the Township. There have been proposals that the Town take over some of these roads.

Sue said that in contrast to minor subdivision, platted subdivisions have a list of requirements, including a wetland survey and delineation of proposed road layouts, buildable areas, and septic locations. There are environmental benefits to platted subdivisions.

Angela said that platted subdivisions give neighbors the opportunity for input.

Dave Edblom thought that a survey should be required for a subdivision. A survey requires a plan which results in a more thoughtful subdivision. A survey addresses water flow, too.

Dave Meyer said that currently the bank requires a survey and the County dictates some driveway parameters – how would this change?

Sue said that platted subdivision means that the land is surveyed and lot lines are laid out. With performance standard subdivision easements can be created and used to access back lots, possibly resulting in multiple driveways. Currently you can create a maximum of three subdivisions from a parcel. The new language would allow four. You could have just one driveway that services all the parcels, but that would require a platted subdivision. Individual driveways use a lot of resources and create more impervious surface area and runoff.

Angela asked if we should wait and see what the County does.

Dave Meyer made a motion to table the decision to provide more time to consider it. Angela seconded. The motion passed unanimously.

Sue said that on April 7 she and Liz would be going over the Ordinance for the Town Board and highlighting substantial changes. Then on April 12, the Board will meet to consider adoption of the Recommended Ordinance. It would be useful if Commission member came to that meeting in case there are questions.

Officers for the upcoming year were elected. Pam nominated Dave Edblom for Chair. Dave declined. Dave Edblom nominated Angela for Chair and Blane as Vice Chair. All voted in favor of Angela and Blane.

### **Old Business**

None.

### **Concerns from the Audience**

None.

The meeting adjourned at 9:53.