

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
APRIL 14, 2020, 6:00 PM
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

Pursuant to Minnesota Statutes 13D.021, Subdivision 1(1), the City of Park Rapids has determined that in-person meetings of the Council are not prudent during the COVID-19 health pandemic/peacetime emergency declared by the Governor's Executive Order No. 20-01 under Minnesota Statutes Chapter 12. As such the following City Council meeting during such state of emergency was held by telephone, and the presence of the Councilmembers and the public at the meeting was not feasible.

1. CALL TO ORDER: The April 14th, 2020, Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Mayor Ryan Leckner, and the Pledge of Allegiance was recited.

2. ROLL CALL: Present: Mayor Ryan Leckner (**in person**), Councilmembers Tom Conway, Erika Randall, Liz Stone, and Robert Wills (**by phone**). Absent: None. Staff Present: City Administrator Ryan Mathisrud (**in person**), Planner Andrew Mack, Public Works Superintendent Scott Burlingame, and Clerk Margie Vik (**by phone**). Others Present: Robin Fish from the Park Rapids Enterprise (**in person**).

3. APPROVAL OF AGENDA: A motion was made by Wills, seconded by Stone, and unanimously carried to approve the agenda as presented.

4. EMPLOYEE CERTIFICATE OF ACHIEVEMENT:

4.1. Dean Christofferson-Twenty Five Years of Employment: Leckner stated Christofferson is receiving a certificate for his twenty-five years of employment. We thank him for his service and we will get that certificate to him. Mathisrud stated I'd like to congratulate Christofferson. Twenty-five years is a big achievement. Thank you.

5. APPROVAL OF MINUTES:

5.1. City Council Regular Meeting Minutes-March 24, 2020: A motion was made by Stone, seconded by Randall, and unanimously carried to approve the March 24th, 2020, City Council Regular Meeting minutes as presented.

6. FINANCE:

6.1. Payables & Prepaids: A motion was made by Randall, seconded by Stone, and unanimously carried to approve the payables in the amount of \$296,085.94, and the prepaids in the amount of \$218,583.62, for a total of \$514,669.56.

7. CONSENT AGENDA: A motion was made by Wills, seconded by Randall, and unanimously carried to approve the following consent agenda items:

- 7.1. Resolution #2020-75 Approving Ordinance No. 603 Amend the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 36 Fee Schedule, Section 36.12 Airport Fees.
- 7.2. Ordinance No. 603 Amend the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 36 Fee Schedule, Section 36.12 Airport Fees.
- 7.3. Resolution #2020-76 Permitting the Destruction of Aged Documents as Determined by Adopted Minnesota General Records Retention Schedule.
- 7.4. Approve Golf Cart/Class 2 ATV License to Operate on the Streets of the City of Park Rapids in 2020 for Richard Felts-ATV.
- 7.5. Approve Purchase in the Amount of \$2,698.00 from RDO Equipment for a New Bagger for Cleaning City Parks for the Public Works Department.
- 7.6. Authorize Advertising and Interviewing for a Temporary Seasonal Parks Employee for the Public Works Department.
- 7.7. Resolution #2020-77 Scheduling a Public Hearing on the Issuances of Revenue Obligations by the Duluth Economic Development Authority to Finance a Project by Essentia Health.
- 7.8. Resolution #2020-78 Authorizing Proper City Officials to Execute the 2020 Park Rapids Emergency Operation Plan for the City of Park Rapids.
- 7.9. Resolution #2020-79 Approving the Preliminary and Final Plat for the Simonson Third Addition.

END OF CONSENT AGENDA

8. COMMENTS FROM CITIZENS: Leckner requested comments from anyone listening in on the phone line. There were no comments.

9. PLANNING:

9.1. First Reading of Ordinance Approving an Amendment to the Rental Licensing Code, Chapter 152 Adopting Administrative Permitting Procedures and Standards for Short-Term Rentals: Andrew Mack stated during a worksession, with the Planning Commission, about one year ago, the Council listed this item as a high priority. We are making progress on those items that were listed with high priorities. This item has been through the review process in development of a draft ordinance. A public hearing was held before the Planning Commission. They have forwarded a recommendation to the Council to approve this amendment to the ordinance. This first reading before you has had a complete and full review by the city attorney's office. The ordinance before you this evening is ready for your approval of the first reading.

Mack stated I've prepared a detailed staff report on this item. I can discuss the main points if you like, or I can just answer questions. Randall stated a quick overview for the record would be good.

Mack stated the important thing about this amendment is in the initial effort that the Planning Commission made on this they felt that we should conduct each and every one of these to a public hearing process and an interim use permit. That was the first position the Commission took. I then went into a fairly extensive research and I studied about twelve different communities in Minnesota. I looked at how they are regulating this type of use for short term rentals in their communities. There were no two cities alike. It ranged from complete prohibition on them in the Bemidji Joint Planning Area to other communities like Park Rapids currently not regulating this particular use. Some of the other communities had some different requirements in between those two positions.

Mack stated we took a closer look at what was done in Two Harbors. They felt it was best to put forward a straight set of standards and requirements in the ordinance. We customized this ordinance to track along with that same arrangement that they have in Two Harbors. It allows for an administrative permit. The one thing that works nicely for the City of Park Rapids in this situation is that we currently have rental license requirements in place. We have the existing assistance in place to be able to license these types of uses as licensed rentals, which provide one of the key aspects of what the Planning Commission and the Council wanted to address with this ordinance, which is safety inspections to make sure that the places that people are renting for short term stays have been inspected and they have proper things in place for life/safety. That is in the requirements.

Mack stated the proposal tonight is for an annual permit that would be issued administratively. They would be able to renew that every year. The rental licensing is required every three years. So, it's an additional charge for a short term rental permit that we will issue in conjunction with the prior issuance of a rental license.

Mack stated within the amendment we have also addressed another important issue that requires monthly reporting to the city. That is to address the other equity and fairness concerns identified by the Council and the Planning Commission, having to do with payment of the local city lodging tax. A process will be in place for us to be able to use our department to identify and match to the folks that have short term rentals and provide

that information to the finance director for the proper reporting and payment of those local lodging taxes.

Mack stated from there we have other standards including things that would address concerns over nuisances created in neighborhoods. Things like limitations on noise and hours, or late night music or activities that would become disruptive. We have a standard in our separate nuisance code on noise, which goes into more detail. It's cross referenced in this section.

Mack stated additionally, the Planning Commission felt very strongly about not wanting to create a situation where we have a party row, so we will control the number of houses next to each other that can become short term rentals, to address that we have placed a buffering standard of no closer than 500 feet to a permitted short term rental. There's a first one in the door kind of mentality with this, but we would license up a rental, and then we'd issue short term rental permits. For any new applications that would come in we would then do a check for existing permits to make sure that buffer standard is maintained. We will, however, have a provision in here for grandfathering because there are some current existing short term rentals that are licensed as rentals that we would want to be able to acknowledge and allow that without penalty. As long as they would continue to obtain the license for the short term rental on an annual basis, they would retain that grandfather clause. Also, in a unique situation we measure by aerial from nearest property line to property line, we may have some situation that maybe it was 492 feet away and there's not the same concern that would exist if it sat right next to another house. There is a built in provision for an exception that we would process much like a variance request as a part of the provisions in the code as well.

Mack stated we also have restrictions for on street parking. Along with the types of uses for the short term rentals, they are going to be on our lake or river frontages. Those areas have some narrow streets and it would be difficult to navigate through where there is excessive parking on the street. We started originally with a parking restriction in shoreland areas, but the city attorney felt that we don't restrict that in any other districts so we applied this so that no matter what area they are in, shoreland or not-shoreland, they would have a restriction for maximum parking on the street, unlike other licensed rentals elsewhere in the city under the current requirements.

Mack stated another thing, we have some built in provisions from the international property maintenance code that the Council adopted last year, to enhance our rental inspections. Within that code there are provisions on maximum occupancy for sleeping quarters, how many people can occupy a dwelling at one time. Based on that there would also be some other provisions in place to help address the concerns of over parking on a property or on a street in front of a property.

Mack stated in the last three weeks we added new definitions, and a part of this ordinance is we normally address properties on a compliant basis for land use and enforcement. Our department cooperates with the police department on handling enforcement within the community. If there are three complaints they are investigated and if they are found to be legitimate or a violation of any segment of the ordinance, there is a three strike provision that they would then be subject to review and revocation that would be conducted at a hearing by the City Council. As we get started with this, we will be doing some random inspections to verify compliance with the ordinance and not just relying on complaints alone. Our department and the police would collaborate in this, especially if it were a late night disturbance, the police are normally the ones that are called. We'll work with them to document these things and put forward a good implementation.

Mack stated in the packet we have a sample flyer, an information piece to lay out the ordinance in a user friendly fashion along with the application that has been drafted. We are recommending the City Council's approval tonight on the first reading of this proposed amendment to the city code.

Leckner requested comments or questions. There were none.

A motion was made by Stone, seconded by Randall, and unanimously carried to approve the first reading of the Ordinance Approving an Amendment to the Rental Licensing Code, Chapter 152 Adopting Administrative Permitting Procedures and Standards for Short-Term Rentals.

10. CITY ADMINISTRATOR COMMENTS: Mathisrud stated Gladden Construction will be here next week to finish the roundabout work that was mostly completed last year. What is left is sidewalks, seeding, and planting to clean it up. Our treasurer search is closed. We received a number of good applications. We'll be working through that and setting up interviews next week. We had our last conference call on the armory. We're good to go with the state regarding documents. The closing will be on May 4th. They are pretty confident that it will go through at that time. Regarding the revolving loan fund that we held an emergency meeting for last Tuesday, we've already approved our first loan through that fund. We anticipate a number of others that will be brought for next week's round of review. We are excited about being able to participate in that. It seems to be going smoothly.

11. DEPARTMENT HEAD UPDATES: There were no comments.

12. MINUTES/REPORTS/INFORMATION: There were no comments.

13. COMMENTS FROM COUNCIL: Leckner stated I'd like to say thanks to the city staff and everybody who's still working through this ordeal. They are essential workers and they are putting themselves out there, especially our employees at the liquor store. They are still working, and to everybody in the community, the grocery store workers, the police, and everybody that is out there working to get us going, I appreciate all of their hard work.

14. ADJOURNMENT: A motion was made by Wills, seconded by Conway, and unanimously carried to adjourn the meeting at 6:25 p.m.

[seal]

Mayor Ryan Leckner

ATTEST:

City Clerk Margie M. Vik

April 14, 2020