

**CITY OF PARK RAPIDS
JOINT WORK SESSION MEETING
PLANNING COMMISSION/CITY COUNCIL
APRIL 9, 2019, 4:30 p.m.
Park Rapids City Hall, 212 Second Street West**

1. CALL TO ORDER: The April 9, 2019, Joint Work Session Meeting of the Park Rapids Planning Commission and City Council was called to order at 4:36 p.m. by Acting Mayor Erika Randall.

2. ROLL CALL: Present: Commissioners Nancy Newman and Bruce Johnson; City Council Members Liz Stone, Erika Randall, Thomas Conway, Robert Wills and Mayor Ryan Leckner (arrived at 4:48 p.m.). Absent: Dick Bradow and Tom Petschl. Staff Present: City Administrator John McKinney, City Clerk Margie Vik, City Planner Andrew Mack and Planning/Administrative Assistant Carmen L. Lockhart. Others Present: Amanda Stromen and Tanya Boyer.

3. APPROVAL OF AGENDA: The agenda was approved.

4. WORK SESSION DISCUSSION TOPICS:

4A. 2019 ZONING ORDINANCE PROJECT LIST: Mack thanked the council and commissioners for coming. There have been a couple of meetings held with the Planning Commission and we've had dialogue resulting in a list attached to the packet. The intention tonight is to work down through this list of 18 items and talk about what the concerns and problems are which are somewhat expounded upon in the notes for each item on the list. Essentially the two or three main points of emphasis as a part of this dialogue is to maintain a good communication level with the Planning Commission as your appointed body; to develop policy and administer the ordinance; and to make sure the zoning ordinance reflects the policies and wishes of the City Council. In speaking with the Mayor, as well as the liaison to the Planning Commission and Chair of the Planning Commission, all felt that it was a good thing for both bodies to meet periodically to maintain a good level of communication. Especially as we continue to work through these issues/topics and we're all working from the same page and there are no surprises when something comes forward you're prepared for it and have had a preview of it. We have a specified process for making formal changes to the ordinance and any items would go through the normal process where a public hearing is held. The Planning Commission conducts that hearing and forwards a recommendation to the City Council for final approval and to publish the document before it becomes effective.

Mack said on page 13 of the March 25th Planning Commission minutes we have some initial rankings of the priority for each item, high, medium or low. This helps to give a better understanding of where to focus our energy. We will take that in terms of the complexity of the topic as well as the priority, and bring forward as time permits, over the course of the next 12 to 18 months of how we will attack these subjects.

1. Zoning Table Matrix vs. List: Mack explained currently our zoning ordinance by district lists all of the different uses. This topic came up through discussion on Ferrellgas where there was some discretion applied to that use and what was the appropriate

zoning district it should be permitted in as a CUP. I brought an example of another community where instead of a list in each one of the districts listed out with the description of the use and some standards primarily for CUP's. We looked at a different way to approach that, one that would make it more user friendly, easier to understand for the public and require less explanation. The PC felt that was a good thing and said it was a high priority. It is a complex amendment to undertake.

Stone said I want it on the list as it would help with our decision making process because it seems to me there are some gray areas in our discussions as a commission. Conway said he agreed as the more organized we come across the better off we are going to be in making decisions. Stone wanted this as a high priority and the CC agreed.

2. Multi-Family Density CUP vs. Permitted by Right: Mack stated during the process of talking about high density apartments I found that if we have more than 12 units in the R-3 District it triggers a CUP. It is for multi family and high density. We have a 28 plex on the agenda tonight. The question is should we have a higher threshold for that number so projects can move through the process? Some feedback I've gotten from developers is that it is onerous. The question is should there be a higher density threshold wherein they come in, work through staff review administratively, meet all requirements of the code, pull a permit and start construction. PC could see value but didn't think it was a big rush and gave it a low priority.

Conway asked how many apartment units have more than 12 units? Mack said several but doesn't have a good handle on that and inventory would be part of that study analysis but my guess is a third or higher. Stone said she felt there are more pressing issues we should focus our attention on and come back to this. Randall agreed low priority makes sense now and if it becomes a more frequent request, then it can move up to a medium or high priority if you're dealing with it often. Randall asked if there was a number discussed? Mack suggested somewhere between 20 and 30. CC gave low priority.

3. Business District Height Limits: Mack said he was looking at the commercial districts and found no height restrictions. There was discussion concerning Airport Zoning Overlay areas and restrictions. Mack commented on shoreland zones where we are trying to maintain a viewshed of lake front and that's where it's been of the most concern. Mack commented on the height of the fire truck ladders can reach and the safety factor. PC gave it a low priority.

Stone said because we don't have something in place, I would suggest it be moved to a medium priority. Randall agreed and said the fire department should be consulted as well. Johnson said that was a restriction where he used to live and it was a pretty important topic and they had a restriction based on their ability to fight a fire and for businesses that wanted to go higher they were required to have their own self contained sprinkling systems which turned out to be prohibitively expensive so it took care of itself. Johnson agreed the fire fighting is a good angle to look at. CC gave it a medium priority.

4. Interim Uses vs. CUP's: Mack said this will play into when we develop the zoning matrix. The difference between an IUP and CUP is that IUP's run with the applicant and they also terminate upon a specific occurrence or specific period in time. The state adopted this as a bill enabling communities to place temporary permits on projects because the normal protocol for CUP is once it is approved it runs permanently

with the land unless revoked or repealed for some reason or enforcement actions are taken. Or, in other cases if they never actually develop the permit that's issued. This seemed to be of interest because if a permit is issued for a type of use to the owner and for some reason something with the use is not fully anticipated or expected by the community from the applicant and we have some trouble with it over the course of time. When the project becomes sold it's a mandatory expiration without applying for renewal or reissuance of that permit. There is some discretion that can occur with that from staff if it is the same use and there's been no issues and there's no problems. Then we go through a very simple administrative procedure. It gives us the opportunity to research it and see if there has been any trouble with it and if so, that might be the opportunity to bring it forward to a hearing and place new conditions. PC is interested in creating this but ranked it as a medium priority.

Conway asked for an example. Mack said a homeless shelter or charter school. Johnson explained he developed a property into a self-storage facility. It was a large tract of land that had a house on it and we wanted to keep the house and rent it and also build a storage facility on the property. I thought I was going to get a CUP but didn't and I was not happy about getting an IUP. Now that I understand it and see how it works, I think it's really a good idea. Because what a CUP does is it effectively change the zoning on the property because you've committed to the future. An IUP, in my case, they allowed me to keep the rental house on the property even though the zoning has been changed to commercial. Because the house is behind and you don't see it and it doesn't affect anybody and as long as I don't cause problems, that IUP was for 10 years and can be renewed.

McKinney inquired if it has an impact on the financing ability of the owner if he sells it and they would have to get another permit? Johnson said yes, if I go to sell the property I have to sell the whole thing and can't split it because the property is not big enough to support individually. If I go to Todd Township and ask to split it, they will say no because you need this much land for residential and this much land for commercial. McKinney said Mack stated the sale might be an extinction of the IUP and if this is a commercial operation and you're ready to sell it but your IUP expires, is there a way to deal with that? Johnson said it doesn't expire, it's up for review, the next person would have to renew it unless there is a reason not to renew. Randall asked if no one takes any action on it then it would expire? Johnson said if I ended up on the violations list with the township then they would have a written reason why they may not want to renew that IUP. Mack stated it gets recorded against the property and it's a notice that says the IUP terminates, that's an occurrence which is a change of ownership and they are responsible. It puts the new buyer on notice they have to have the permit issued by the city as the new owner. McKinney said I'm thinking as collateral if I was the banker and I was loaning you money to do that, the resale value of that is conditioned on that being renewed. Randall commented on how the property is used. Mack commented it could affect the proforma under the term of the permit.

There was further discussion concerning the time period, expiration, statute language, the renewal process as well as whether a new fee would be attached. Mack said the city would have to track the IUP expiration. Leckner asked if the applicant has the option of IUP or CUP? Mack said no, it would be laid out in the matrix as permitted, conditional, interim or prohibited. Mack explained charter schools, by statute, cannot be under ownership of fee title land, only rental space and because of that it would be a classic IUP. Mack stated gravel pits are another interim use. The CC gave a high priority.

5. Non-Conforming Lots of Record: Mack said this was brought up with having really small lots. Our ordinance says if pre-existing with regard to how small or what the lot width is, you're entitled to build on it. Most ordinances I've administered put some sort of percentage threshold on it. Those types of standards are in shoreland but not in non-shoreland areas. This came up on a zoning request which you will do final approval for tonight for a duplex on Fair Avenue. In that particular case they have the right to build without a variance. The question is how small is too small before you want to do that as a variance? That clause doesn't exist in non-shoreland areas. The PC wanted this as high priority.

Randall said if the PC has struggled with this it should be a high priority. There was further discussion concerning variances on narrow lots. The CC gave it a high priority.

6. Sidewalk Requirements: Mack said this is an item I brought up. In 2016 the city had a study done for Safe Routes to School and a grant was received by the city and a study was prepared for the city by the HRDC. It encourages more active life styles for walking. There was further discussion concerning requiring sidewalks for new development and the walkability of the city. The PC said medium priority.

Leckner commented on annexation areas on the edge of town and if will they be required to construct sidewalks or will it be on a case by case basis? Mack said if it's a code it has to have to be specific with certain conditions where to apply it. I understand the concern about a policy having a program for sidewalks to nowhere. There was further discussion about discretion on a case by case basis, new subdivision neighborhoods or making connections, trail systems and the Comprehensive Plan.

McKinney asked are you suggesting this in other than the subdivision ordinance? Mack said yes, it could be provisions in the CUP code if we have the ability to apply that requirement or put it on a building permit requirement. There was further discussion about enforcing installation of sidewalks. McKinney asked what is it you are asking to establish, a standard of sidewalks everywhere or only where you choose or only when they build a new house? What's the thinking on that? Mack replied only where this community specifically wants to see sidewalks built.

Leckner asked if we do that now with building permits? Mack said I don't think we have the ability to do it now, only under a new plat but not under a building permit, CUP or variance. McKinney inquired so if they don't subdivide you're not going to have sidewalks, so there could be a mile with and then nothing for a mile? McKinney asked is it your standard to have sidewalks everywhere or what is your standard? Randall said a good example would be on Helten Ave where the are two blocks of no sidewalks and then there are sidewalks where the school put in the sidewalk. The properties on the west, if they were to redevelop that is that where this would come into play? Because you're saying it could be a building permit or CUP? That's my concern because there's an apartment building and at least two houses there. If only one of them got a permit to do a addition on their home and sidewalks are a part of our ordinance, then they are just going to have a short sidewalk in front of their home and then not in front of the next house? McKinney commented that's why I'm asking the question. Randall said that's the question John's asking. Randall said that is just a really good example of where a sidewalk is needed.

There was further discussion concerning petitions for sidewalks, special assessments, 429 capital projects by the city, repairing roads, what is expected

standard we are looking for, shoveling sidewalks, and why we need sidewalks. PC gave it medium. CC gave it a low priority.

7. Parkland Dedication: Mack said in the code it says the PC is the authority as opposed to listing the Parks & Beautification Board whose function is to deal with parks and whether the city wants parks or cash in lieu of? Mack said there are instances that when we do lot divisions we are creating lots to build a home. That fee is not collected and it should be collected. The ordinance only talks about in platting but not minor lot divisions. Mack said it would be his preference to collect a fee when we can or land if necessary. Mack said if it's a simple lot division and we're not dealing with a lot of land that's a perfect example where you collect another \$1,000 or \$950 every time some one splits a lot to sell it off and are building a new home. We can factor that in as a part of their budget for their project. The city has extensive needs for park improvements, those funds can only be used for parkland acquisition or improvements for existing parks, it cannot be used for maintenance by state law. The interesting thing is the state law also makes provision where we say we have an example of land that doesn't need to be platted or subdivided and they just want to pull a building permit for an apartment complex. Under our ordinance now, we can't collect a park dedication fee from them. Under state law we have the ability to write that into the code. There is an increased demand on the parks system and we should have the ability or right to collect that at the time of the building permit. Mack said he would encourage you to keep that on the list. The PC gave a medium priority.

Leckner asked what were you putting in charge of the parks board? Mack said for making the final recommendation to the council as opposed to the PC which is how the code is written now. There was discussion on whether to take money or land, the effect charging a fee for parkland would have on our attempt to get more houses built, the demand on the parks system, Comprehensive Plan analysis update, implementing fee on size and nature of development such as single family or apartment building. CC gave medium priority.

8. Vacation Rentals vs. B&B's: Mack said it is his understanding that Vik collects a licensing fee every year for Bed and Breakfasts and there was concerns expressed about that where we have zero regulations for VRBO or vacation rentals. Stone asked what is the fee for Bed and Breakfast? Mack asked Vik, I think I remember reading it is \$2,000 per year. Vik said she does not collect a fee for Bed and Breakfast. Randal asked if there was a rental fee? Lockhart said we don't do inspections on Bed and Breakfast for rentals. Mack said it is a transient occupancy so it's not necessarily a rental but it would be inspected as part of, I don't know. Lockhart said it's like a hotel, it's not inspected by the city. Mack said so it would be the health department for Bed and Breakfast I'm assuming. Randall said I would compare a Bed and Breakfast to a hotel. Vik said they pay lodging tax, is that what you're thinking we're collecting from them? Mack said I don't know, I thought Bed and Breakfasts are specifically in the fee ordinance so we've got to do a little more research on it. Mack said he doesn't know what the issue is here and this was brought up by the PC Chair. Johnson said he was describing the issue that vacation rentals were not subject to any type of inspection verses B&B or rental fee and he was thinking there might be a fee to be collected in there.

McKinney asked there is no inspection either? Lockhart said the ordinance is silent to it but if I know about them and put them on the list I do send them letters and if they've contacted me telling me they are going to be renting, then I put it on the list. I haven't had any push back because if it's a rental, it's a rental. Vik asked didn't the

issue come up with the Air B&B's that people are using private homes? There was further discussion concerning VRBO's, owner occupying as well, limiting the number of VRBO in a vicinity of each other, neighbors being uncomfortable with the turn over of renters, fair treatment for B&B and resorts, tax implications, what other communities are doing, enforcement issues, life safety concerns, zoning use, nuisance issues and parking issues. The PC gave high priority. The CC gave high priority.

9. C1 Minimum Lot Size Requirements: Mack said this was an observation that we have some large lot requirements in the district for uses other than a single family home and thought this could be a restriction or concern on the reasonable use of property. I haven't done analysis to see what the average lot size is in the C-1 district but put on the list for discussion. PC gave it low priority. McKinney asked is there is a problem? Mack said he hasn't found one. CC gave it a low priority.

10. Small Cell Wireless Requirements: Mack said the CC is familiar with this and the PC has been briefed. The cutting edge of cellular technology is small scale wireless for 5G systems. The CC adopted a new policy that applies to public right of way and equipment that is owned by the city i.e light fixtures, light standards. We have yet to receive our first installation. I thought we had one working for the hospital but Verizon decided to put that on hold. Our city attorney has suggested we need some minor tweaking for our code as it pertains to our policy as to how we allow agreements to go forward for co-locating on our equipment. I'm actually training on this Thursday of this week with League of MN Cities. Now these are CUP's and my sense is that is a little onerous but PC gave low priority. CC gave low priority.

11. Solar Requirements CUP vs Small Units Permitted by Right: Mack said you just issued a CUP for a small scaled solar installation at a private residence. The feedback through that process was onerous and overly expensive and needless regulation requiring over two months of process and checks for fee and escrow. If we want to be looked at as a solar friendly community, we should look at making it not so restrictive. Conway said we want to be careful though as it's one thing to do it on a house and another for a large business to come in. There was further discussion concerning, solar gardens, small kilowatt, changing residential requirements to be permitted, discretion and aesthetics, and worries about having carte blanche saying they can do it at their house. PC said low priority. CC said low priority.

12. Strengthened Rental Housing Requirements: Mack said we don't have to spend any time on this because we already have a work session scheduled for May 14th. The building official/rental inspector will come and we think it's a relatively easy fix. We have an international code to present as a way to standardize.

13. New Commercial Zoning District: Mack said this comes back to Ferrellgas. What kind of uses do we want in our highway entryway districts along 71 and 34 in primarily commercial areas? My sense on this is after the comp plan we would look for ways to implement that policy. The PC rated medium priority. My sense is it's a low priority. CC agreed low priority.

14. Craft Brewery Land Use & Licensing Requirements: Mack said we really don't have a land use issue unless we get to the point where it is manufacturing. As a retail it fits in business district. There is a liquor code licensing and in discussing with Vik we agree I would work on this. It's really not a zoning issue so we should skip that and come back to it. The only thing that would raise it to a higher priority is if we have someone who proposes to do this and I have met with and talked to them and I'm

waiting for them to contact me so then we will have to move it to a high priority right away. In my mind it's a medium or low priority.

Johnson said he knows two people who are considering doing this and they are looking for locations. CC said medium or low. McKinney advised someone wants to do this this spring. Mack said when they write a check to revise the code then we will go to work on their behalf. There was discussion concerning the time frame to do it, urgency when someone applies, legal expenses, other communities and their ordinances, and not being prohibitive to someone who applies.

15. Definitions: Mack said some things need updating. There was discussion concerning make appropriate changes when other items in the ordinance are amended. PC said medium priority.

16. Land Divisions: Mack said it is a clause in the code that says it's to be filed with the PC and CC but that's not the practice and should be revised. McKinney asked what do you mean by minor subdivision? Mack said Simonsons, we are processing administratively and doesn't need to come before this body. Lockhart said that was a plat. Mack said before the plat we split a lot administratively. There was discussion concerning the lot split of the HRA land, the reason it should be filed with the PC and CC. Mack said he doesn't know what the term filed means. PC said low priority.

17. Urban Agriculture/Livestock: Mack said we've had a request from Action Park Rapids to allow chicken farming as well as another person. Mack said Mathisrud worked on this and discussed with PC and CC in the past and it was dropped. There was discussion concerning allowing permits for a specific number, objections from neighbors, the current ordinance now prohibits livestock. Johnson said he wants this a high priority and to get it done. Mack said he wants a subcommittee of the PC to work on this and some of the owners who want chickens could also serve to come up with a standard. CC gave it a medium to high priority.

18. CUP & Variance Expirations: Mack stated our ordinance for CUP and Variances doesn't have an expiration date if they don't initiate the project. The PC felt strongly that something needs to be done as we have several approvals that have never been done. PC said medium priority. CC said high to medium priority.

4B. SUMMARY OF UPDATE PRIORITIES & TENTATIVE TIMELINE: Mack said he is looking at about 16 to 18 months to address all of these subjects. Some stuff will move forward right away on high priority. We will go through this summary and determine a work plan and establish a timeline accordingly.

4C. COMPREHENSIVE PLANNING FORECAST – 2021 INITIATIVE GOALS:

Mack said this is simply a forecast looking forward. We do have a census count coming up and there is interest in a census committee organized by the League of MN Voters to make a presentation to the CC sometime in May or June about forming a complete count committee. Demographic information will be available in the Fall of 2020 and that's about the time we will have that data to move forward into a plan. We will talk more about it during the CIP and budgetary process.

4D. NEXT JOINT MEETING – SET TENTATIVE DATE (WINTER 2020?) Mack asked if this meeting is helpful and if we should continue it in the future, maybe twice a year? CC agreed twice a year is good and the meeting was helpful.

5. ADJOURNMENT: The meeting adjourned at 5:53 p.m.

Mayor Ryan Leckner

ATTEST:

Carmen L. Lockhart
Planning/Administrative Assistant