

CITY OF INVER GROVE HEIGHTS

A G E N D A

CITY COUNCIL WORK SESSION

MARCH 5, 2018 6:00 PM

**INVER GROVE HEIGHTS CITY HALL
COUNCIL CHAMBERS**

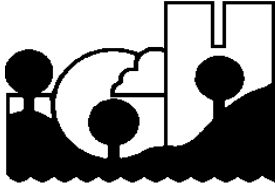
A. CALL TO ORDER – MAYOR TOURVILLE

- 1. FIRE STATION UPDATE**
- 2. COMMUNICATION STRATEGIES**
- 3. SHORT TERM RENTAL**

B. ADJOURN

Fire Station Update –

No handouts



CITY OF INVER GROVE HEIGHTS

MEMORANDUM

TO: Mayor & City Council

FROM: Joe Lynch, City Administrator

SUBJECT: Communications Division Strategies

DATE: March 1, 2018

Encl: Communications Manager position description (*draft*)
Marketing Coordinator position description (*draft*)

Background:

I have been continually in communication with the City Council about my concern for and recommendation to improve our communications, both internally and externally. I have requested a position in each of the last three (3) budgets and have not yet achieved the ability to handle our communications in a comprehensive and coordinated manner.

This is my plan to achieve the objective to have our communications and marketing handled by persons with the knowledge, skill and ability to develop a Comprehensive Communications Plan and to work with Department Heads, supervisor and other staff to carry that plan out for the City.

We are attempting to handle our communications through a very diffuse system with various positions; the Adm. Services Coordinator, City Clerk, Government Administration Interns and Department Heads and others attempting to make do while doing their other full-time duties.

We currently have a P.T. Marketing Coordinator position budgeted in 2018. This is a 30 hour a week position. We have been without a Marketing Coordinator since the death of incumbent in September 2017. We have staff who have picked up the duties of this position and filling in admirably, but this is not the best situation because communications is not their forte and usually is lower on the priority list of things to get done behind the regular aspects of the job.

We have no comprehensive Communications Plan. We do not have a coordinated effort through centralized services for communications.

The Council has asked staff to develop and establish standards for things such as a Power Point Presentation form and establishing a standard and expected response times for dealing with complaints. We should expect at least the same for and from our communications.

What's covered

The following are examples of what we are currently managing through this system of part time, occasional, communications management: Website management, maintenance and edits, social media information and responses for the City including Facebook, Twitter and others, our newsletter, Insights, is very popular and has grown in terms of size and need for information on a bi-monthly basis, Press Releases, news articles/responses to media inquiries marketing to our VMCC, Golf Course and recreation program customers, marketing to trail and parks users, Disc Golf Course users and bike trail enthusiasts, annual Reports to County, State and Federal agencies as a requirement for funding or reporting (Annual Utility Report, Audit Communication, GASB Reporting, Grant Funding)

What's needed

The following are examples of items that have not been addressed and are needed or desired: Police Department social media presence including their own Facebook and Twitter, Fire Department social media presence including their own Facebook and Twitter, an internal communications device for city employees, transportation/construction project communications to neighborhoods about the timing/calendar, delays, and detours/closings. As mentioned above, we do not have Master Communications Plan – establishing standard format, style, and text. We also need to market to our community and others in the Metro area about access to a regional amenity -Heritage Village Park, access to the Mississippi River National Park area, our newest addition of a Dog Park and economic development marketing of properties and locations in city for development/redevelopment

Strategy

I recommend that we establish a Communications Manager position in addition to Marketing position. This position would report to City Administrator and the Marketing Coordinator position, which is already established, would report to the Communications Manager. The Marketing Coordinator position was part of Compensation/Classification Study and is fully funded for 2018. I have had Bjorkland Compensation Consulting review both positions through our Classification and Compensation Plan, as well as ensuring compliance with Comp Worth. Both are reflected in the salary scales presented.

The Communications division would work with the Department Heads on establishing the Master Communication Plan and then individualizing it for each Department needs.

The Communications Manager would work with Police and Fire Departments on establishing the social media outlets and management of information. Both positions would work to create an internal communications medium for providing information to employees

The Communications Manager would manage the website and coordinate the City's Facebook and Twitter accounts, posts, links and updates.

Costs

Marketing Position – report to Communications Manager

This position is currently in the 2018 budget. 10% (\$ 8,373) of the cost is allocated to Recreation and 90% (\$75,353) of the cost is allocated to the VMCC. This is a Part Time, 30 hour a week, benefitted position.

As a recommendation, the Communications Manager position would be established at a proposed pay scale of \$81,600 - \$103,688. At the initial step, which is where we would start the position, the full cost of salary plus benefits is \$104,880.

Funding

The proposal is to fund the Communication position in the following manner:

Department allocations: Administration, Finance, Community Development, and Public Works would each contribute \$5,000 each (\$20,000 total).

The Police and Fire Departments would contribute \$10,000 each (\$20,000 total).

The Sewer and Water Funds would contribute \$20,000 each (\$40,000 total).

The Sustainability Funds would contribute \$20,000 and the Recycling Grant for Dakota County would contribute \$10,000. The Dakota County Grant funding is budgeted \$30,000 higher than it was in 2017 due to the expectations that the city do more education and information about several programs including organics collection, as well as a reflection of the amount of money that the city has spent in the past for these activities.

The total collected from all of these sources is \$110,000

In recent discussions with all Department Directors, to a person, they support the need for this position and centralization of all of our communication efforts, as well as the recommended funding for this position in 2018.

No additional funding is needed for 2018 for establishing both positions. There is no impact to the Tax Levy.

Recommendation

Authorize the City Administrator to proceed with advertisement for both positions, seek candidates and proceed with the process to hire both positions.



CITY OF INVER GROVE HEIGHTS JOB DESCRIPTION

Job Title: Communications Manager

Revision Date: March 1, 2018

Last Classification Review: March 1, 2018

Exempt Status: Exempt

Department: Administration

Reports To: City Administrator

Job Summary:

Under the direction of the City Administrator, the Communications Manager is responsible for all aspects of the City's internal and external communications activities, including print and social media and public relations. Position responsibilities include the development and implementation of the City's Communications Plan, and managing the communications and marketing functions and staff.

Supervisory Responsibilities:

Direct Supervision: Marketing Coordinator

Indirect Supervision: Communications and/or print media consultants, contractors, and temporary staff

Essential Duties and Responsibilities:

Manages and oversees the City's Communications functions.

- Develops and oversees the implementation of the City's Communication Plan; presents Plan and objectives to Council and staff annually. Monitors and coordinates related efforts of City staff to ensure overall adherence.
- Manages the Marketing Coordinator position to ensure effective marketing and advertising of city programs and services.
- Manages the City's website; ensures maintenance, functionality, usability within ADA regulations and standardization amongst departments.
- Oversees City's website contract and services with third party vendor.
- Manages social media including but not limited to Twitter, Instagram, Facebook; provides oversight to various department Facebook and other social media accounts.
- Responsible for the management and coordination the City's bi-monthly newsletter, including compiling, writing/editing news articles, and coordinating copy, production, and mailings.
- Researches and implements the creation of an internal communication device for employees to update staff and call attention to programs/products or services available.
- Coordinates with the cable commission on outreach programming and targeted marketing activities.

Conducts and performs activities and assists in implementing public relations and public information services for the City.

- Assists Administration in addressing sensitive public relation issues; provides guidance to other City departments and the Police Department's Public Information Officers.
- Writes press releases, articles, and creates posts to website or social media outlets to provide public information concerning City initiatives or issues.
- Acts as the City's spokesperson as directed by the City Administrator.
- Responds to citizen and council requests and concerns.

Administers Communications budget and expenditures.

- Prepares budgetary requests and makes recommendations to the City Administrator.
- Prepares Communications budget in conjunction and in coordination with the City Administrator.

- Reviews and approves expenditures and submits invoices for payment.
- Negotiates with vendors providing contracted services.
- Monitors department revenues.
- Serves as an adjunct member of the City's Administration team. Provides support and feedback for City initiatives, issues and/or special projects. Performs special projects as delegated by the City Administrator.

Performs other duties of a comparable level or type, as required.

Minimum Qualifications:

Requires a minimum of a Bachelor's Degree in Communications, Marketing or related field and at least 5 years of work experience in the areas of government, business, and public communications or an equivalent combination of education and experience. Requires a valid driver's in the State of MN.

Desired Qualifications:

Five years of experience in managing an organization's communication, public relations and marketing efforts and have government experience.

Essential Knowledge And Specialized Subject Knowledge Required To Perform The Essential Functions Of The Job:

- Pertinent federal, state, local laws and codes.
- City government organization, City administrative policies and procedures.
- Computer applications within the department and general business/office productivity software.
- Website management and social media processes and procedures.

Essential Skills Necessary To Perform The Work:

- Oral and written communications.
- Public relations, presentational, public information, and social media skills.
- Organizational and time management skills.
- Project management skills.
- Using and operating computers and utilizing general business productivity software/applications (e.g. word processing, spreadsheets, presentational software, email, etc.).

Work Environment:

Works in a public service environment. Will deal with clients and public requiring judgment and discretion when dealing with the public matters that can involve some disagreeable human interactions.

Physical Job Requirements:

Employee is required to occasionally stand and walk; frequently sit, reach with hands and arms, and use hands/fingers dexterously. Exerting up to 25 pounds of force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects, including the human body.

This Position Description reflects an accurate and complete description of the duties and responsibilities assigned to the position.

Department Head's Signature

Date

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment of the position. The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

The City is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.



CITY OF INVER GROVE HEIGHTS JOB DESCRIPTION

Job Title: Marketing Coordinator

Revision Date: March 1, 2018

Last Classification Review: March 1, 2018

Exempt Status: Non-exempt

Department: Administration

Reports To: Communications Manager

Job Summary:

Under the direction of the Communications Manager, the Marketing Coordinator is responsible for coordinating and implementing all marketing and advertising requirements and activities for the Department of Parks and Recreation including the Veterans Memorial Community Center and Inver Wood Golf Course to increase public awareness of City programs/services, to increase program participation; increase revenues and appreciation or value of City amenities. Assists the Communications Manager in providing marketing and communications support for other departments and City-wide programs, publications and social media.

Supervisory Responsibilities:

Direct Supervision: None

Indirect Supervision: None

Essential Duties and Responsibilities:

Designs, coordinates and edits the seasonal Parks & Recreation brochure to promote all park and recreation programs, events, leagues and amenities.

- Receives and reviews descriptions and copy from recreation coordinators.
- Edits and organizes copy.
- Takes photos for the publication.
- Adds, deletes copy and solicits advertising for the brochure.
- Assembles and directs the printer to produce the marketing material and for distribution to City residents and businesses.

Manages social media sites (e.g. Facebook, Twitter, Instagram) for Parks and Recreation programs and other departments as assigned, including site content, proper message/intent, and responds to site questions from the public and staff in conjunction and coordination with the Communications Manager.

Manages the Park & Recreation portion of the City's website in coordination with the Communications Manager.

- Creates content.
- Makes content interactive and easy to navigate.
- Monitors and updates site information.

Assists in creating marketing materials including post cards, trifolds and flyers. Distributes and promotes department programs and services through mailings, email, and internal marketing or other sources. Collaborates with department staff and managers to gather materials, facilitate communication and marketing efforts.

Creates outside ads for newspapers, magazines and external websites.

Manages the marketing budget established for the Parks and Recreation department marketing services.

Assists the departmental personnel in compiling, analyzing program feedback and evaluation through participant/public surveys.

Assists the Communications Manager in providing marketing and communications support for other departments and City-wide programs, publications and social media.

Completes marketing and communications projects as assigned and provides back-up assistance to the Communications Manager to ensure timely communications to the public including posting of press releases on social media.

Performs other duties of a comparable level or type, as required.

Minimum Qualifications:

Requires a minimum of an Associate's Degree (Bachelor's preferred) in Marketing, Communications, Graphic Arts or a closely related field and 2 years experience in marketing, communication or directly related experience; or an equivalent combination of education and experience to perform the work, and a valid MN driver's license. Desired qualifications include 2 years' experience with creating graphics, web design, desktop publishing and related publishing tools and resources.

Essential Knowledge And Specialized Subject Knowledge Required To Perform The Essential Functions Of The Job

- Fundamentals and practices of marketing and communications management.
- Principles, techniques and methods and approaches to marketing design, implementation and analysis.
- Principles, techniques, standards and approaches to graphic design, desktop publishing, photography and print management.
- Knowledge of the City of Inver Grove Heights' communication plan and the Park & Recreation Department's vision, mission and marketing actions plans, objectives and goals in alignment with that plan.
- Knowledge of social media approaches, vehicles and outreach techniques.
- Web design and website maintenance.
- Knowledge of business productivity software, and specialty software/applications (i.e. Adobe, Max Enterprise, Civic Plus, etc.).

Essential Skills Necessary To Perform The Work:

- Advanced communication, presentational, and writing skills.
- Interactions require persuasion, instruction and working with others to gain cooperation and understanding of marketing issues/needs/initiatives consistent with the objectives and vision of Park & Recreation.
- Advising and makes recommendations to managers and staff concerning marketing and communication efforts and approaches.
- Creating digital content and marketing.
- Implementing and coordinating public relation and communication programs and initiatives.
- Project and time management.
- Writing, editing, producing copy and communicating department initiatives and programs to the public.
- Managing social media and websites to promote, inform and market programs, services, and amenities of the department.
- Performing desktop publishing, layout, design, photography and print management.
- Utilizing and operating web based and graphic design software and applications.

Work Environment:

Work is of an administrative nature. Duties are performed primarily in a City office setting, where there are minimal hazards and risks associated with the performance of assign responsibilities.

Physical Job Requirements:

Employee uses hands and fingers dexterously to handle or feel continuously; frequently sits, talks, hears and listens ; on occasion stoops, kneels and/or crouches in the performance of the job. Exerting up to 25 lbs. pounds of force occasionally, and/or a negligible amount of force constantly to lift, carry, push, pull, or otherwise move objects, including the human body.

This Position Description reflects an accurate and complete description of the duties and responsibilities assigned to the position.

Department Head's Signature

Date

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment of the position. The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

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INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

TRANSIENT LODGING (SHORT TERM RENTALS) - CASE NO. 17-33ZA

Meeting Date: March 5, 2018
Item Type: Work session
Contact:  Heather Botten 651.450.2569
Prepared by:  Heather Botten, Associate Planner
Reviewed by: Planning

PURPOSE/ACTION REQUESTED

The Council is to provide direction on 1) whether the City should regulate transient lodging on residential homes and 2) if so, how that might be done.

BACKGROUND

Last year the City Council reviewed transient lodging (short-term rentals) at two work sessions and then directed staff to amend the city code to prohibit transient lodging. In August 2017, the Planning Commission held a public hearing to prohibit transient lodging in residential homes. The Planning Commission did not support the proposed ordinance to prohibit transient lodging (6-2 vote). At the third reading, held on November 27, 2017, City Council reversed their earlier decision to prohibit and decided to possibly allow transient lodging with conditions. Council directed staff to bring the topic of short-term rentals to the Planning Commission and Housing Committee for review and comment.

ANALYSIS

Staff met to discuss different alternatives and came up with the recommendation that, if the City decides to allow short term rentals, this could be done by interim use permit. The interim use permit process:

- requires neighbor notification
- allows for enforcement through the termination of the permit
- allows for conditions that could be specific to a location
- treats all applicants the same

If an interim use ordinance amendment is adopted, a separate interim use permit application would be required to be submitted by the applicant and a public hearing would take place for that specific interim use permit. With the interim use permit, additional conditions could be added relating to the specific rental location.

During previous discussions, Council expressed concerns about the number guests that the transient lodgers could have on the property. Staff discussed a condition that could be included stating that no guests would be allowed after a designated time (ie. 10:00 pm); this is similar to what hotels implement for their guests. Staff also discussed hosted rentals (homeowner being present while the guest is renting) and determined it would be impossible to enforce and difficult to require a homeowner to not leave their home if they had a transient lodger present.

The Planning Commission and Housing Committee discussed this item at their regular meetings in February. Both groups support allowing short term rentals with the interim use permit. The Planning Commission mainly focused their discussion on what type of process should be required, interim use permit verses a license. The Housing Committee discussed specific regulations such as not having

the application fees be too high, concerns about requiring too much off-street parking and limiting the number of properties an individual could rent out.

CONCLUSIONS AND RECOMMENDATIONS

Staff is requesting direction from the Council on 1) whether the City should regulate transient lodging on residential homes and 2) if so, how that might be done.

City Staff, Planning Commission, and Housing Committee support short term rentals on residential property by the interim use permit process. If Council agrees, this item would be brought back to the Planning Commission for a public hearing and then return for three readings at City Council.

It should be noted, there have been no recent complaints or police calls regarding homes that have short term renters, this is including all the homes that may have been rented during Super Bowl week.

Attachments: February 7 Planning Commission Discussion
February 7, 2018 staff memo

**RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS**

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: February 7, 2018

SUBJECT: Transient Lodging – Case No. 17-33ZA

Heather Botten, Associate Planner, advised that last year City Council reviewed transient lodging (short-term rentals) at two work sessions and directed staff to amend the city code to prohibit transient lodging. The Planning Commission then held a public hearing and did not support the ordinance to prohibit them. On the third reading Council decided to reverse their earlier decision and directed staff to possibly allow short-term rentals with conditions and to bring it back to the Planning Commission and the Housing Committee for discussion. After comments are received, staff will bring the item back to the Planning Commission for a public hearing and then to City Council for their review. Transient lodging is rental of a dwelling unit for less than 30 consecutive days. Anything longer than that involves the rental license section of the code. The benefits of allowing short-term rentals include providing an alternative to a hotel stay, providing an opportunity for a large family or group to stay in one place instead of numerous hotel rooms, provides an alternative for business travelers, and provide residents an opportunity to rent their home for additional income. The potential concerns of allowing short-term rentals include additional traffic, high occupant turnover could negatively impact the neighborhood, there could be disruption to the abutting residents, and it may cause complaints of noise, underage drinking, and other nuisances. Staff believes that if short-term rental is to be allowed, it should be done by interim use permit (IUP). An IUP requires neighbor notification, allows for enforcement through the termination of the permit, and allows for conditions to be added specific to a location. Staff discussed adding a condition that no additional guests be allowed after a designated time (i.e. 10:00 p.m.) and a condition requiring off-street parking. Short-term rental ordinances from the cities of Duluth, Stillwater, and Prior Lake were included in the packet as an example of what other cities have implemented for conditions.

Chair Maggi asked for clarification as to why the Council reversed their decision.

Ms. Botten stated Council decided to continue the discussion after hearing from residents in the community who have been successfully running short-term rentals and spoke favorably of them.

Commissioner Weber asked if interim use permits required a public meeting.

Mr. Botten replied in the affirmative.

Commissioner Weber asked if there was a way to streamline that, such as issuing a rental license.

Ms. Botten stated that was something the Commissioners could discuss. She advised that having an IUP would give the City more enforcement leverage should someone violate the requirements and would make it easier to monitor.

Commissioner Lissarrague asked whether licensing required neighbor notification.

Ms. Botten replied it did not.

Commissioner Lissarrague stated as a resident he would prefer to be notified of a potential short-term rental in his neighborhood.

Commissioner Scales asked what the process was for someone running a commercial business from their property.

Ms. Botten replied that the home occupation ordinance required businesses to be run out of the principal dwelling, not an accessory building or garage. Some uses also require a conditional use permit.

Commissioner Scales asked what recourse the City would have should someone start running a business out of their accessory building/garage.

Ms. Botten replied that code enforcement would send them a letter, give them a date by which they must comply, and eventually it could go to court if the property was not brought into compliance.

Commissioner Niemioja stated she liked the Stillwater ordinance requirement in which a public hearing is held to give the neighbors an opportunity to voice objections within a specific amount of time. The receipt of three substantiated relevant complaints automatically revoked the rental license. She contacted the Inver Grove Heights Police Department, who stated they did not receive any calls over Super Bowl weekend in regard to complaints from people renting out their homes for the event. In her opinion there would be a limited number of serious problems with this issue.

Ms. Botten stated she spoke with the Police as well and was told there were not only no calls to VRBO's, but they also had not received any complaints recently on the nuisance property that initially started this discussion.

Chair Maggi asked if the City was equipped to manage such requirements as the owner keeping a guest record and providing that to the City.

Ms. Botten responded that information would only need to be provided if there was an actual nuisance call out to the property.

Chair Maggi asked if staff had considered limiting the number of short-term rentals within the City.

Ms. Botten replied they had not anticipated it being an issue since Inver Grove Heights was not necessarily a high traffic tourist destination; however, they could add that standard.

Commissioner Lissarrague asked staff to clarify ADU's versus short-term rentals.

Ms. Botten advised that if an individual lived in a single-family dwelling and then built an ADU, if they were no longer using that ADU for their family member they could, hypothetically, rent both the ADU and the principal dwelling as short-term rentals. A performance standard could be added to the ordinance allowing only one rental unit on a property.

Commissioner Lissarrague asked how difficult it would be to revoke a license for a nuisance property.

Commissioner Simon liked the language in the Stillwater ordinance which gave the City the authority to revoke the license after receiving three legitimate complaints.

Ms. Botten advised that if the complaints were justified, in such an instance it would be brought before the Council and Council would then revoke that permit.

Commissioner Simon asked staff to address hosted rentals versus an owner not being home.

Ms. Botten replied staff determined that it would be almost impossible to enforce and unfair to require someone to stay home 24 hours a day while they had a renter. As an alternative, some cities require that the house be homesteaded.

Commissioner Simon asked if the owner would have to provide contact information so if there was an issue they could contact the owner within a reasonable amount of time.

Ms. Botten replied that the City could require the owner to provide the City with contact information or the owners could give their contact information to the abutting neighbors so they could contact the owner directly with any issues rather than getting the police involved.

Commissioner Lissarrague asked how they would monitor how long someone had stayed at a location, whether it was the same people, etc.

Ms. Botten replied that the City would not be checking to see whether people had stayed at least two days, more than 29 days, etc. She advised that a minimum two day/maximum 29 day stay would have to be listed in the rental agreement and as a condition of approval. It would be up to the neighbors to contact the City if they were seeing a high turnover of renters, stays for longer than 29 days, nuisances, etc., in which case the City would then look into it.

Commissioner Niemioja liked the specificity in the Prior Lake 'disorderly conduct' section, which described what actions were prohibited and noted that criminal charges did not necessarily have to be brought to support a determination of disorderly use.

Ms. Botten stated it appears as if the Planning Commission generally supported transient lodging, but were undecided yet on the process by which to allow them.

Commissioner Weber asked what actions a person would have to take for a long-term rental.

Ms. Botten replied that they would need to apply for a rental license which would include a background check and lengthy application with associated fee.

Commissioner Weber was concerned about the complexity of an interim use permit versus a license.

Commissioner Scales supported having a process for short-term rentals.

Chair Maggi liked that the interim use permit process included neighbor notification and gave them an opportunity to comment.

Commissioner Niemioja asked if there was a way to provide neighbor notification for a license.

Ms. Botten stated the way the rental license ordinance was currently written it would not include neighbor notification; however, if the City drafted a license specifically for transient lodging they could probably add a notification process to that.

Commissioners Weber and Niemioja responded that they would be more open to that option.

Commissioner Scales stated in his opinion short-term and long-term rentals were quite different as long-term was essentially running a business, which should include some governance. He supported having neighbor notification as transient lodging was more likely to have nuisance type issues.

Commissioner Niemioja asked if chicken licenses required neighbor notification.

Mr. Link replied that the chicken license process was unique, and required an application, compliance with certain standards, neighbor notification, and an objection period. If there were any neighbor objections staff does not have the authority to approve it and it must then go to City Council.

Commissioner Scales asked if chickens were allowed in all residential areas.

Mr. Link replied that the urban chicken ordinance applied to just the sewered areas. The estate and agricultural areas had different standards. In regard to enforcement, he advised that an IUP would be easy to enforce, but he would have to research how enforcement would work with a license. Transient lodging does not fit with the existing rental license program.

Commissioner Weber would prefer a simpler way to approach this.

Chair Maggi asked how many short-term rental units were currently in the City.

Ms. Botten replied that she was aware of ten; however, only three rented out their entire dwelling and could accommodate a family. The others just rented out a bedroom.

Chair Maggi took a vote on which process Commissioners preferred. 5 Commissioners preferred the interim use permit process and 2 preferred a license with notice.

Commissioner Lissarrague asked about allowing only one rental dwelling unit per property.

Ms. Botten stated that language could be added as a performance standard in the interim use permit section of the code.

Commissioner Niemioja asked if that requirement could go with the licensing process as well.

Ms. Botten replied that if they just notified the neighbors but did not hold a public hearing they would lose the capability of adding specific conditions to individual lots.

Commissioner Simon advised that the regulations listed on page 3 of the planning report covered much of tonight's discussion relating to conditions she would like to see enforced.

PLANNING REPORT CITY OF INVER GROVE HEIGHTS

MEETING DATE: February 7, 2018

CASE NO.: 17-33ZA

APPLICANT AND PROPERTY OWNER: City of Inver Grove Heights

REQUEST: Discussion on allowing transient lodging (short-term rentals) of residential property

COMP PLAN: N/A

ZONING: N/A

REVIEWING DIVISIONS: Planning

PREPARED BY: Heather Botten
Associate Planner



BACKGROUND

Last year the City Council reviewed transient lodging (short-term rentals) at two work sessions and then directed staff to amend the city code to prohibit transient lodging. In August 2017, the Planning Commission held a public hearing to prohibit transient lodging in residential homes. The Planning Commission did not support the proposed ordinance to prohibit transient lodging (6-2 vote). At the third reading, held on November 27, 2017, the City Council reversed their earlier decision to prohibit and decided to possibly allow transient lodging with conditions. Council directed staff to bring the topic of short-term rentals to the Planning Commission and Housing Committee for review and comment. After comments are received, staff will then bring the item back to the Planning Commission for a public hearing and then to City Council for their review.

The definition of transient lodging (short-term rentals) the City has been using is: The letting, lease, license or other agreement for the use or occupancy of a rental dwelling unit, or portion thereof, where the actual term of use or occupancy is less than 30 consecutive calendar days including, but not limited to vacations homes, crash pads, hostels, and the like.

If someone wanted to rent out their home on a longer term they would have to comply with the Rental License chapter of the City Code (4-13).

Online rental sites such as VRBO, Airbnb, and other home sharing sites have become quite popular. These are services individuals may use to arrange short-term rental of someone's house, apartment, or room for one night or more. They create a unique situation by placing short-term vacationers in the City's residential zones. Short-term rentals located in residential zoning districts could be viewed as a hotel/commercial use on residential property.

ANALYSIS

The issues or impacts of allowing short term rentals would be:

Benefits:

- promotes an alternative to a hotel stay while tourists visit Inver Grove Heights for a getaway
- provides an opportunity for a large family or group of people to stay in one place instead of numerous hotel rooms while visiting Inver Grove
- provides an alternative to a hotel for business travelers who are in the area and need short-term housing
- provides residents an opportunity to rent their home for additional income

Concerns:

- create conflicting land uses with a commercial use being operated out of a residential neighborhood
- generates additional traffic and high occupant turnover which may negatively impact a residential neighborhood
- provide an opportunity for large gatherings of people, who do not own the home or live in the neighborhood, to be disruptive to the abutting residents
- may cause complaints to the public safety department regarding noise, underage drinking and other nuisances to a residence not occupied by the owner

Staff met to discuss different alternatives and came up with the recommendation that, if the City decides to allow short term rentals, this could be done by interim use permit. The interim use permit process requires neighbor notification, allows for enforcement through the termination of the permit, and allows for conditions that could be specific to a location. Staff discussed hosted rentals (homeowner being present while the guest is renting) and determined it would be impossible to enforce and difficult to require a homeowner to not leave their home if they had a transient lodger present.

Council expressed concerns about the number guests that the transient lodgers could have on the property. Staff discussed a condition that could be included stating that no guests would be allowed after a designated time (ie.10:00 pm); this is similar to what hotels implement for their guests. Staff also discussed adding conditions such as requiring off street parking,

If an interim use ordinance amendment is adopted, a separate interim use permit application would be required to be submitted by the applicant and a public hearing would take place for that specific interim use permit. With the interim use permit, additional conditions could be added relating to the rental.

Regulations other cities have imposed on short-term rentals:

- Require a minimum of a two-night stay
- Owner must provide contact information to residents within 100 feet of the property boundary in case of issues or complaints
- Maximum occupancy based on the number of bedrooms (or square footage of the house)
- Off street parking shall be provided based on the number of bedrooms
- All parking must be off street and on the owners property
- Owner must keep a guest record including name, address, phone number and license plate information for all guests and must provide to the City within 48 hours notice
- Number of times a month a unit can be rented
- Cannot be used for commercial or social events
- Require the property to be homesteaded.

Duluth, Stillwater, and Prior Lake allow short term rentals with regulations. Below are a couple points from each ordinance; the complete ordinances are attached for your information.

Duluth: The City of Duluth allows short term rentals (vacation dwelling unit) by interim use permit. There is a minimum two night stay and a maximum of 29 days. A total of 60 vacation dwelling unit permits are allowed in the City.

Stillwater: The City of Stillwater allows different types of short term rentals; the type most closely related to VRBO rentals would be Type C (please refer to the attached ordinance for more information). No more than 15 licenses may be valid at any one time for Type C short term rentals. The ordinance requires a conditional use permit, license with the City, a maximum number of guests based on bedrooms and off street parking requirements.

Prior Lake: The City of Prior Lake allows short term rentals but regulates the number of times a month a home can be rented. They also require the rental home to be registered with the City and, based on the size of the home, regulate the number of occupants allowed to rent the home at one time.

ACTION

The Planning Commission is to discuss regulating transient lodging and what type of conditions they would possibly like to include with the ordinance.

Attachments: Ordinance language from Duluth, Stillwater, and Prior Lake

Duluth

1. In the R-C and RR-1 districts, this use is permitted provided that service is limited to large livestock/large animal care and any building or enclosure so used shall be located not less than 100 feet from any lot line;

2. In the R-2, R-P, MU-N and MU-C districts, this use is permitted provided that practice is limited to the treatment of small animals (household pets, i.e. dogs, cats, birds, that are ordinarily permitted in the house for company) and that all aspects of the facility are totally contained (including kennel runs and exercise areas) within a soundproof building with adequate ventilation;

U. Vacation dwelling unit.

1. The minimum rental period shall be not less than two consecutive nights;

2. The total number of persons that may occupy the vacation dwelling unit is one person plus the number of bedrooms multiplied by two;

3. Off street parking shall be provided at the following rate:

(a) Vacation dwelling units licensed on May 15, 2016, shall provide the following minimum number of off street parking spaces:

1. 1-2 bedroom unit, one space
2. 3-4 bedroom unit, two spaces
3. 5+ bedroom unit, three spaces.

(b) Vacation dwelling units licensed after May 15, 2016, shall provide the following minimum number of off street parking spaces:

1. 1-2 bedroom unit, one space
2. 3 bedroom unit, two spaces
3. 4+ bedroom unit, number of spaces equal to the number of bedrooms minus one.

(c) Vacation dwelling units licensed on May 15, 2016, are entitled to continue operating under the former off-street parking requirement. The parking exemption for vacation dwelling units licensed on May 15, 2016, expires upon transfer of any ownership interest in the permitted property.

4. Only one motorhome (or pickup-mounted camper) and/or one trailer either for inhabiting or for transporting recreational vehicles (ATVs, boat, personal watercraft, snowmobiles, etc.) may be parked at the site, on or off the street;

5. The property owner must obtain all licenses and permits from the city of Duluth and state of Minnesota required for guest occupancy on the property for two to 29 days;

6. The property owner must provide required documents and adhere to additional requirements listed in the city of Duluth's UDC application manual related to the keeping of a guest record, designating and disclosing a local contact, property use rules, taxation, and interim use permit violations procedures;

7. The property owner must provide a site plan, drawn to scale, showing parking and driveways, all structures and outdoor recreational areas that guests will be allowed to use, including, but not limited to, deck/patio, barbecue grill, recreational fire, pool, hot tub, or sauna, and provide detail concerning the provision of any dense urban screen that may be required to buffer these areas from adjoining properties;

8. Any vacation dwelling unit that will be located in a multi-family structure that has nine or more dwelling units shall:

(a) Make available 24-hour staffing at a front desk that is accessible to all tenants;

(b) If determined applicable by the Land Use Supervisor, provide a letter from a duly established Home Owner's Association stating the support of the Home Owner's Association Board of Directors for the vacation dwelling unit, and enumerating any Home Owner's Association rules to be incorporated into the interim use permit;

89. The interim use permit shall expire upon change in ownership of the property or in six years, whichever occurs first. An owner of a vacation dwelling unit permitted prior to May 15, 2016, may request, and the land use supervisor may grant, an application for adjustment of an

existing permit to conform to this section, as amended, for the remainder of the permit term.

Section 2. That Section 50-20.5 of the Duluth City Code be amended as follows:

50-20-5 Accessory uses.

A. Accessory agriculture roadside stand.

Only one stand offering for sale farm products produced on the premises is permitted provided that such stand does not exceed an area of 200 square feet and that it is located not nearer than 25 feet to any street or highway;

B. Accessory bed and breakfast.

The owner and operator of an accessory bed and breakfast shall be required to live in the establishment. In addition, the use shall:

1. Have no more than five habitable units;
2. Appear outwardly to be a one-family dwelling, giving no appearance of a business use other than allowed signs;
3. Have no greater impact on surrounding public areas, infrastructure or natural resources than a fully occupied private home with house guests;
4. Be located on a lot or tract containing a minimum of 0.6 acre;
5. Contain a minimum of 1,500 square feet of area on the first floor of the main building;
6. Dining areas shall not exceed three seats per habitable unit in bed and breakfast inns. In addition to resident guests, only guests of resident guests shall be permitted to dine in a bed and breakfast, or guests participating in meetings or other private events hosted by the facility when other overnight guests are not present, not to exceed the approved seating capacity of the facility. For profit events on the premises that involve a total number of participants in excess of the approved dining area seating capacity shall be limited to six days per year and shall be restricted to the period of October 15 through June 15;
7. Shall not have signage exceeding 12 square feet in size, and any signage shall complement the architecture of the structure;
8. Shall limit each guest stay to a maximum of 21 consecutive days;
9. May be subject to other conditions deemed necessary by the city to ensure the use complies with the purpose of this subsection;

C. Accessory boat dock, residential.

This use shall comply with the following standards:

1. Dockage of boats owned and primarily used by a resident of the property is a permitted accessory use to the primary residential use and shall not be limited in number;
2. If there is a residential structure on the property and the property has frontage on an improved street, the owner of the residential structure may rent out boat dockage to a maximum of two boats owned by others. If the property does not have frontage on an improved street, the owner of the residential structure may not rent dockage space to others. Boat dockage use on a property that is not residentially developed is permitted as a principal use provided that the use is limited to one boat for each lot or group of contiguous lots in the same ownership, and the boat is owned and primarily used by the owner of the property;
3. For each new rental boat dock space created or made legal after April 14, 1974, one off street parking space shall be provided in addition to all other off street parking spaces required by other legal uses of the property, such spaces to be constructed in accordance with Section 50-24;
4. At the request of the building official, the owner of property shall provide boat registration or other documentary evidence to prove compliance with these standards;
5. No buildings other than residential or residential accessory structures, no winter storage of boats other than those owned by a resident of the property in question, no repair facilities, fuel sales, food or refreshment sales, rentals of boats, boat or parts sales or displays or other commercial uses shall be permitted;

D. Accessory dwelling unit.

Stillwater

ORDINANCE NO. 1093

AN ORDINANCE AMENDING THE STILLWATER CITY CODE
CHAPTER 31, ENTITLED ZONING ORDINANCE
BY ADDING REGULATIONS FOR
SHORT TERM HOME RENTALS

THE CITY COUNCIL OF THE CITY OF STILLWATER DOES ORDAIN:

1. Definitions

Amend City Code Chapter 31, Section 31-101 Definitions, by adding the following:

- 119.1. *Primary Residence*, means the dwelling unit within which a person lives for six months plus a day during a calendar year.
- 119.2. *Primary Resident*, means a person living on a property where the property is the person's primary residence.
- 145.1. *Short Term Home Rental, Type A (hosted short term rental)*, means a dwelling unit that is offered to transient guests for a period of less than 30 consecutive days, where a primary resident of the property is present while the transient guests are present.
- 145.2. *Short Term Home Rental, Type B (unhosted short term rental)*, means a dwelling unit that is offered to transient guests for a period of less than 30 consecutive days, where the property serves as a person's primary residence but a primary resident of the property is not present while the transient guests are present. This Type B also includes Short Term Home Rental of any Accessory Dwelling Units, non-owner occupied Duplexes or "mother-in-law" apartments.
- 145.3. *Short Term Home Rental, Type C (dedicated short term rental)* means a dwelling unit that is offered to transient guests for a period of less than 30 consecutive days, where the property does not serve as a person's primary residence
- 145.4. *Short Term Home Rental, Type D (Bed & Breakfast)* – see the definition of Bed & Breakfast in Paragraph 16 of this Definition Section 31-101.

2. Short Term Home Rental Regulations.

Amend City Code Chapter 31 by adding the following Section.

Sec. 31-514.1. Short-Term Home Rental Regulations

Subd. 1. Purpose. The purpose of this Section 31-514.1 is to allow Short Term Home Rentals where appropriate while mitigating impacts upon surrounding properties by implementing balanced regulations to protect the integrity of the city's neighborhoods as well as protect the general public health, safety and welfare.

Subd. 2. License required. No property may be used for Type A, B or C Short Term Home Rental unless granted a license by the city. No property may be used for Type C Short Term Home Rental unless granted a Conditional Use Permit and a license by the city. No property may be used for Type D Short Term Home Rental (aka Bed & Breakfast) unless granted a Special Use Permit by the city pursuant to Section 31-504 of this Chapter.

Subd. 3. License application. Any property owner desiring to undertake Short Term Home Rentals must apply to the community development department for a Short Term Home Rental License. A license must be approved prior to operating within the city. The license application request must be submitted on the form prescribed by the city and must include all the information requested on the application form. The license application will not be accepted by the city unless an inspection report has been signed by personnel from both the city's fire department and building department.

Subd. 4. License fee. The license application form must be accompanied by payment in full of the required license application fee. The license application fee amount will be as determined by the city council in the city fee schedule.

Subd. 5. License issuance. The process for review and issuance of a license will vary depending upon the type of Short Term Home Rental as follows:

A. Type A, Hosted Short Term Home Rentals. Type A Short Term Home Rentals are required to have an administratively issued license from the city.

1. A Type A Short Term Home Rental license or renewal license will be issued administratively only if:
 - i. The licensee certifies on the application form that all applicable items found in this Section 31-514.1 are satisfied. That includes:
 - a. Proper zoning as found in Subd. 6; and
 - b. Performance standards as found in Subd. 7.
 - ii. The applicant submits a site plan, drawn to scale, showing parking and driveways, all structures and outdoor recreational areas that guests will be allowed to use, including, but not limited to, deck/patio, barbeque grill, recreational fire, or sauna.
 - iii. The applicant submits a floor plan, drawn to scale, of the home identifying which rooms will be used as transient guest bedrooms.
 - iv. The property passes the city inspection (see Section 31-514.1, Subd. 9B) for residential code standards applicable to renting a home on a short term basis. The list of health and safety items that will be inspected for this purpose will be included amongst license application materials so that the property owner will know what items will be inspected prior to submitting the license application to the city.
 - a. An inspection must be completed within 60 days prior to submission of the license application form.

- b. An inspection report must be submitted together with the license application form and other necessary materials. Without the inspection report, the license application will not be considered complete, nor will it be accepted by the city.
 - c. If the inspection identifies items that must be corrected, all corrections must be completed and verified by the city prior to submitting an application for the Short Term Home Rental license.
- 2. There shall be no change in the exterior appearance of the home or premises, or other visible evidence of the conduct of a Short Term Home Rental, except that additional on-site city code compliant parking may be provided.
- 3. The licensee must provide proof of sufficient and suitable property insurance at the time of license issuance, and must be able to confirm that the coverage remains in place within 24 hours of a city request for confirmation.
- 4. Licenses are non-transferable and shall expire upon change of ownership of the property.
- 5. A license constitutes a limited license granted to the applicant by the city and in no way creates a vested zoning right.
- 6. No more than a total of thirty-five Type A licenses may be valid within the city at one time.
- 7. If three substantiated and relevant complaints are received from neighbors or guests within a 12 month period, the license shall be revoked. The revocation may be appealed to the city council pursuant to procedures established in Section 31-217 of this Chapter. If a license is revoked, the owner is prohibited from making application for another license for any type of Short Term Home Rental for six months.
- 8. Licenses are valid for a period of three years. A renewal license must be applied for every three years.

B. Type B – Unhosted Short Term Rental. Type B Short Term Home Rentals are required to have an administratively issued license from the city. Prior to issuing the license, a neighborhood notification is required, as specified below.

- 1. A Type B Short Term Home Rental license or renewal license will be issued administratively only if:
 - i. The applicant submits a site plan, drawn to scale, showing parking and driveways, all structures and outdoor recreational areas that guests will be allowed to use, including, but not limited to, deck/patio, barbeque grill, recreational fire, or sauna.
 - ii. The applicant submits a floor plan, drawn to scale, of the home identifying which rooms will be used as transient guest bedrooms.
 - iii. The licensee certifies on the application form that all applicable items found in this Section 31-514.1 are satisfied. That includes:

- a. Proper zoning as found in Subd. 6
 - b. Performance standards as found in Subd. 7
 - c. Proof of sufficient and suitable property insurance.
- iv. No more than a total of thirty-five Type B licenses may be valid within the City at one time.
- v. Notices have been mailed by the city to all surrounding property owners according to the following standards:
 - a. 150 feet of all applicant properties zoned RB, CCR, CR, TH, CTHR, RCL, RCM, RCH, CBD;
 - b. 200 feet of all applicant properties zoned RA, LR, CTR, TR;
 - c. 500 feet of all applicant properties zoned AP; and
- vi. There are no objections received by the city within ten days of mailing the notices.
 - a. If objections are received, then the license request must be considered by the planning commission.
 - (1). The planning commission must hold a hearing, to which neighbors within the above defined notification area are invited to offer comments.
 - (2). After considering the license request and hearing comments from the neighbors, the planning commission may either approve a one year provisional license, with or without conditions, or deny the license request.
 - (3). If there are no substantiated relevant complaints from neighbors or guests during the provisional year, the permit will automatically extend two more years. If there are three substantiated relevant complaints, the provisional license is automatically revoked and the owner is prohibited from making application for another license for any type of Short Term Home Rental for six months.
- vii. The property passes the city inspection (see Section 31-514.1, Subd. 9B) for residential code standards applicable to renting a home on a short term basis. The list of health and safety items that will be inspected for this purpose will be included amongst license application materials so that the property owner will know what items will be inspected prior to submitting the license application to the city.
 - a. An inspection must be completed within 60 days prior to submission of the license application form.
 - b. An inspection report must be submitted together with the license application form and other necessary materials. Without the inspection report, the license application will not be considered complete, nor will it be accepted by the city.

- c. If the inspection identifies items that must be corrected, all corrections must be completed and verified by the city prior to submitting an application for the Short Term Home Rental license.
2. There shall be no change in the exterior appearance of the home or premises, or other visible evidence of the conduct of a Short Term Home Rental, except that additional on-site city code compliant parking may be provided.
3. The licensee must provide proof of sufficient and suitable property insurance at the time of license issuance, and must be able to confirm that the coverage remains in place within 24 hours of a city request for confirmation.
4. If three substantiated and relevant complaints are received from neighbors or guests within a 12 month period, the license shall be revoked. The revocation may be appealed to the city council pursuant to procedures established in Section 31-217 of this Chapter. If a license is revoked, the owner is prohibited from making application for another license for any type of Short Term Home Rental for six months.
5. Licenses are non-transferable and shall expire upon change of ownership of the property.
6. A license constitutes a limited license granted to the applicant by the city and in no way creates a vested zoning right.
7. Licenses are valid for a period of three years. A renewal license must be applied for every three years. No neighborhood notification is required for the renewal of licenses.

C. Type C – Dedicated Short Term Rental. Type C Short Term Home Rentals are required to have both a Conditional Use Permit and an administrative license issued by the city. The Conditional Use Permit and initial license may be processed simultaneously.

1. **Conditional Use Permit.** The application for the Conditional Use Permit to operate a Type C Short Term Home Rental must be filed with the city's community development department on the applicable form. The application will be reviewed according to the process established in Sections 31-204 and 31-207 of this Chapter. In addition, the following procedures, criteria and conditions shall also apply:
 - i. The applicant must submit a site plan, drawn to scale, showing parking and driveways, all structures and outdoor recreational areas that guests will be allowed to use, including, but not limited to, deck/patio, barbeque grill, recreational fire, or sauna.
 - ii. The applicant submits a floor plan, drawn to scale, of the home identifying which rooms will be used as transient guest bedrooms.
 - iii. The Conditional Use Permit runs with the land and must be filed in the property's chain of title, but since a license is also required for a

Type C Short Term Rental, possession of a Conditional Use Permit is not sufficient to operate. Any new owner desiring to operate a Type C Short Term Rental on property that has an unexpired Conditional Use Permit filed in the chain of title must also obtain a license from the city. A Conditional Use Permit expires if a property is not operated as a Short Term Home Rental for more than a year.

- iv. The Conditional Use Permit applicant must certify on the city application form that all applicable items found in this Section 31-514.1 are satisfied. That includes:
 - a. Proper zoning as found in Subd. 6
 - b. Performance standards as found in Subd. 7
 - c. Proof of sufficient and suitable property insurance.
 - v. The property must pass inspection by city building and fire code inspectors and found to meet the residential code standards applicable to renting a home on a short term basis (see Section 31-514.1, Subd 9B) prior to holding the public hearing for the Conditional Use Permit. The list of health and safety items that will be inspected for this purpose will be included amongst license application materials so that the property owner will know what items will be inspected prior to submitting the license application to the city.
 - vi. No more than a total of fifteen Conditional Use Permits for Type C Short Term Home Rentals may be valid within the City at one time.
2. **License.** The application form for the license or renewal license must certify by the applicant that all applicable items found in this Section 31-514.1 are satisfied. That includes:
- i. A Conditional Use Permit has been issued for the subject property and is still valid.
 - ii. The property has been inspected no more than 60 days prior to submission of the license application by city building and fire code inspectors and found to meet the residential code standards applicable to renting a home on a short term basis.
 - a. An inspection must be completed and the inspection report submitted together with the license application form and other necessary materials. Without the inspection report, the license application will not be considered complete, nor will it be accepted by the city.
 - b. If the inspection identifies items that must be corrected, all corrections must be completed and verified by the city prior to submitting an application for the Short Term Home Rental license.
 - iii. Proper zoning as found in Subd. 6
 - iv. Performance standards as found in Subd. 7
 - v. Proof of sufficient and suitable property insurance.

- vi. No more than a total of fifteen Type C Short Term Home Rental licenses may be valid at one time within the City.
- 3. The license for a Type C Short Term Home Rental may only be issued to the owner of the property and is not transferable to any other entity.
- 4. There shall be no change in the exterior appearance of the home or premises, or other visible evidence of the conduct of a Short Term Home Rental, except that additional on-site city code compliant parking may be provided.
- 5. The licensee must provide proof of sufficient and suitable property insurance at the time of license issuance, and must be able to confirm that the coverage remains in place within 24 hours of a city request for confirmation.
- 6. Type C Short Term Home Rental licenses are valid for a period of three years. A renewal license must be applied for every three years. The Conditional Use Permit will not expire unless its use is discontinued for more than a year.
- 7. The Type C Short Term Home Rental license is not transferable and shall expire upon change of ownership of the property.
- 8. A license constitutes a limited license granted to the applicant by the city and in no way creates a vested zoning right.
- 9. If three substantiated and relevant complaints are received from neighbors or guests within a 12 month period, the license shall be revoked. The revocation may be appealed to the city council pursuant to procedures established in Section 31-217 of this Chapter. If a license is revoked, the owner is prohibited from making application for another license for any type of Short Term Home Rental for six months.

D. Type D – Bed & Breakfast. Type D Short Term Home Rentals are also known as Bed & Breakfasts and are required to have a Special Use Permit as regulated in Section 31-504 of this Chapter.

Subd. 6. Zoning District. Short Term Home Rentals are permitted, with an approved license from the City of Stillwater, in the following Zoning Districts:

- A. **Residential Zoning Districts.** Type A and B Short Term Home Rentals are allowed by city license in all Residential Zoning Districts. Type C Short Term Home Rentals are allowed by Conditional Use Permit in all Residential Zoning Districts. Type D Short Term Home Rentals (aka Bed & Breakfasts) are allowed by city license in the RCL Zoning District and by Special Use Permit in the RB and RCM Zoning Districts
- B. **Commercial Zoning Districts.** Type A, B and C Short Term Home Rentals are permitted by city license in the CBD Zoning District.

Subd. 7. Performance standards. Type A, B and C Short Term Home Rentals shall be subject to the following performance standards. Type D Short Term Home Rentals shall be subject to the standards found in Section 31-504 of this Chapter.

A. Parking.

1. In residential zoning districts, all guest parking must be accommodated on improved surfaces on the premises. No on-street parking is allowed for guests. At a minimum, parking shall be provided at the following rate:
 - i. 1-2 bedroom unit, 1 space
 - ii. 3 bedroom unit, 2 spaces
 - iii. 4 and 4+ bedroom units, number of spaces equal to the number of bedrooms minus one.
2. In the CBD zoning district, guest parking must either be accommodated on the property of the Short Term Home Rental dwelling unit, or a parking mitigation plan must be approved by the Parking Commission.

B. Length of guest stay. The minimum length of stay is one day. The maximum length of stay is 30 days, since more than that is by definition not a Short Term Home Rental property.

C. Number of guests. The maximum number of transient guests will be limited to two times the number of bedrooms plus one.

D. Guest records. The licensee for Type B and C Short Term Rentals must keep a transient guest record including the name, address, phone number, and vehicle license plate information for all guests and must provide a report to the city upon 48 hours notice.

E. Guest disclosures. The licensee must disclose in writing to their transient guests the following rules and regulations, and must submit a copy of the disclosure to the city with the license application and renewal applications. In addition the disclosures must be conspicuously displayed in the home.

1. For Type B and C Short Term Home Rentals, the name, phone number and address of the owner, operating lessee or managing agent/representative;
2. The maximum number of guests allowed at the property;
3. The maximum number of vehicles allowed at the property and where they are to be parked;
4. Property rules related to use of outdoor features, such as decks, patios, grills, recreational fires, saunas and other recreational facilities;
5. City nuisance ordinances will be enforced by the Stillwater Police Department, including reduced noise levels between 10 PM and 8 AM.
6. No events are allowed to be hosted on the premises.

F. License number. The licensee must post their city license number on all print, poster or web advertisements.

G. Proximity of assistance. For Type B and Type C Short Term Home Rentals, the property owner or a manager/representative must be located within 30 minutes travel time of the property. The community development department

must be notified within 10 days of a change in the managing agent/representative or their contact information. The licensee must provide the name, address and phone number for the licensee or managing agent/representative to all property owners within 150 feet of the property boundary. The licensee must notify neighboring properties within 10 days of a change in the managing agent/representation or contact information.

- H. **Garbage.** As required by City Code Chapter 30-1, Subd 5, all garbage must be kept in rubbish containers that are stored out of view of a public street.
- I. **Signage.** No signage is allowed on the property of a Type A, B or C Short Term Home Rental. Type D is allowed signage as regulated in Section 31-504 of this Chapter.
- J. **Events.** Events are not allowed to be hosted by transient guests on the premises. For purposes of this Section 31-541.1, an event means a gathering on the premises of more than three un-registered transient guests. Events hosted by the property owner are allowed, but must abide by all applicable city ordinances and polices, including the prohibition on renting private residential property out for events.

Subd. 8. Required inspections.

A. Type A, B and C Short Term Home Rentals

- 1. These types of Short Term Home Rentals are required to have, and pass, a health and safety code inspection by city building and fire code staff prior to issuance of a license or renewal of the license.
- 2. The list of health and safety items that will be inspected for this purpose will be included amongst license application materials so that the licensee will know in advance what items will be inspected.
- 3. Upon receipt of a complaint, the city zoning administrator will contact the licensee and will determine whether a compliance inspection is required.

B. Type D Short Term Home Rentals (aka Bed & Breakfast)

- 1. This type of Short Term Home Rental is required to have inspections as regulated by Section 31-504.

Subd. 9. Limit on number of licenses. No more than a total of thirty-five licenses may be valid at any one time for Type A Short Term Home Rentals. No more than a total of thirty-five licenses may be valid at any one time for Type B Short Term Home Rentals. ~~No more than fifteen licenses may be valid at any one time for Type C Short Term Home Rentals.~~ Type D Short Term Home Rentals are required to have a Special Use Permit, but no license is required.

Subd. 10. Sales taxes. In addition to state sales tax, the licensee is required to pay the city lodging tax.

- A. The city lodging tax must be collected and paid either by the web based booking company that the Short Term Home Rental is listed on, or by the licensee directly to the city if the Short Term Home Rental does not use a web based booking service.

- B. The license application must supply information on any web based booking service(s) used for the licensed property.
- C. The licensee, or booking agent on their behalf, is required to pay the city lodging tax quarterly. If no sales are made during a quarter, a report must none the less be submitted to the city stating that no sales were made or lodging tax collected during that quarter.

Subd. 11. Interchangeability. A licensee may use the license to operate any Short Term Home Rental type equal to or less restrictive than the one for which the license is issued. Therefore, if an owner is issued a Type C license, the property is permitted to operate as a Type C, B or A. And, a Type B license allows the owner to operate as a Type B or A. However, a Type D owner may only operate as a Bed & Breakfast.

Subd. 12. Enforcement.

- A. In the event of a violation or threatened violation of this ordinance, the city, in addition to other remedies, is entitled to seek Injunctive Relief or proceedings to prevent, restrain, correct or abate such violations or threatened violations.
- B. The penalty for violation of this Section 31-514.1 shall be a Misdemeanor.
- C. In addition to penalty provisions A and B above, the fine for the first substantiated and relevant complaint or violation shall be \$250. The fine for the second shall be \$500.00. The fine for the third shall be \$750.00 and this third offense shall also result in automatic license revocation.

3. Amend City Code Section 31-315, Allowable Uses in Residential Districts by adding:

ALLOWABLE USES	ZONING DISTRICTS											
	A-P	LR	CTR	RA	TR	CCR	RB	CR	TH	CTHR	RCL	RCM
Bed & Breakfast (Type D Short Term Home Rental)							SUP ¹⁰				P ¹¹	SUP
Short Term Home Rental; Type A and B	P	P	P	P	P	P	P	P	P	P	P	P
Short Term Home Rental; Type C	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP

P = Permitted use
 SUP = Use permitted with a Special Use Permit
 CUP = Use permitted with a Conditional Use Permit
 A = Accessory use
 Blank cell in table means that the use is NOT allowed.

4. Amend City Code Section 31-325, Allowable Uses in Non-Residential Districts by adding:

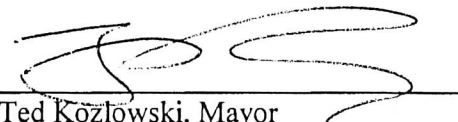
ALLOWABLE USES	ZONING DISTRICTS									
	CA	CBD	VC	BP-C	BP-O	BP-I	CRD	PA	PWFD	PROS
Short Term Home Rental, Type A, B, C		P								

P = Permitted use
 SUP = Use permitted with a Special Use Permit
 CUP = Use permitted with a Conditional Use Permit
 PUD = Use permitted with a Planned Unit Development Permit
 A = Accessory use
 ACC = Allowed as an accessory improvement to an allowed use located on or adjacent to the site
 Blank cell in table means that the use is NOT allowed.

5. Savings. In all other ways City Code Chapter 31 shall remain in full force and effect.
6. Effective Date. This Ordinance will be in full force and effect from and after its passage and publication according to law.

Enacted by the City Council of the City of Stillwater this 2nd day of May, 2017.

CITY OF STILLWATER



Ted Kozłowski, Mayor

ATTEST:



Diane Ward, City Clerk

SECTION 315
SHORT TERM RENTALS

SUBSECTIONS:

- 315.100: PURPOSE
- 315.200: SCOPE
- 315.300: DEFINITIONS
- 315.400: PERMIT REQUIRED
- 315.500: RESPONSIBILITY OF OWNER
- 315.600: DISORDERLY CONDUCT
- 315.700: SUSPENSION AND REVOCATION
- 315.800: APPEAL
- 315.900: PENALTY

315.100: **PURPOSE:** The purpose of this Section is to ensure that the short-term rental of dwelling units in the City's Residential Use Districts is conducted, operated, and maintained so as not to become a nuisance to the surrounding neighborhood or an influence that fosters blight and deterioration or creates a disincentive to reinvest in the community.

315.200 **SCOPE:** This section applies to the short-term rental of all dwelling units located in the City's Residential Use Districts.

315.300 **DEFINITIONS:** The following words and terms when used in this Section shall have the following meanings unless the context clearly indicates otherwise:

Bedroom: A habitable room within a single-family dwelling which is used, or intended to be used, primarily for the purpose of sleeping, but shall not include any kitchen, dining room, or living room.

Code Enforcement Officer: An employee of the City designated as the Code Enforcement Officer. The term Code Enforcement Officer also includes all City employees authorized by City Code Section 104.400 to issue citations.

Dwelling unit: One or more rooms physically arranged so as to create an independent housekeeping establishment for occupancy by one family with separate toilets and facilities for cooking and sleeping.

Occupant: Any person who occupies a dwelling unit or part of the same.

Owner: A person having legal or equitable interest in the dwelling unit or its premises.

Off-street parking space: An area on the premises or within a building on the premises intended for the use of temporary parking of a motor vehicle which has a means of access to a public street.

Permitted Premises: The platted lot or part of such lot or unplatted parcel of land on which a dwelling unit permitted as a short-term rental is located.

Public waters: Any waters as defined in Minnesota Statutes § 103G.005, Subd. 15.

Residential Use District: The land-use districts identified in City Code Section 1102, Subsections 1102.100 through 1102.700.

Short-term rental: The rental or lease of a dwelling unit in whole or in part for 30 days or less.

Short-term rental permit: The permit issued by the City for the rental or lease of a dwelling unit in whole or in part for 30 days or less.

Tenant: Any person who is occupying a dwelling unit under any agreement, lease, or contract, whether oral or written, which requires the payment of money as rent for the use of the dwelling unit.

Watercraft: Any vessel, boat, canoe, raft, barge, sailboard, or any similar device used or useable for carrying and transporting persons on the public waters.

315.400 PERMIT REQUIRED: No owner shall undertake the short-term rental of any dwelling unit to a tenant or tenants unless properly permitted as hereinafter provided.

315.401 Application: An owner desiring to undertake or allow the short-term rental of a dwelling unit in one of the City's Residential Use Districts shall apply to the Code Enforcement Officer for a short-term rental permit. The application shall be submitted by the owner. The permit application shall be on a form prescribed by the City and include all required information.

315.402 Permit Fee: Each application shall be accompanied by payment in full of the required permit fee. The annual permit fee shall be determined by the City Council and set forth in the City fee schedule. The fee shall not be prorated.

315.403 Issuance of Short-Term Rental Permit:

- (1) If the Code Enforcement Officer determines that an applicant has met the requirements for issuance of a short-term rental permit, the Code Enforcement Officer shall issue the applicant a short-term rental permit.
- (2) If the Code Enforcement Officer determines that an applicant has not met the requirements for issuance of a short-term rental permit, the Code Enforcement Officer shall endorse on such application his/her disapproval and his/her reasons for the same and provide the application and recommendation for denial to the City Manager. The City Manager may either: (i) deny the application and return the endorsed application to the applicant to notify the applicant that his/her application is denied and that no permit will be issued; or (ii) direct the Code Enforcement Officer to issue the applicant a short-term rental permit.

315.404 Expiration of Permit: Except as otherwise provided in this Section, all short-term rental permits shall expire annually on December 31 of each year unless suspended or revoked earlier.

- 315.405 **Renewal of Permit:** Applications for renewal of an existing short-term rental permit shall be made at least sixty (60) days prior to the expiration of the current short-term rental permit. All such applications shall be submitted to the Code Enforcement Officer on forms provided by the City and shall be accompanied by the required fee.
- 315.406 **Permit Not Transferable:** No short-term rental permit shall be transferable to another person or to another dwelling unit. Every person holding a short-term rental permit shall give notice in writing to the Code Enforcement Officer within five (5) business days after having legally transferred or otherwise disposed of the legal control of any dwelling unit for which a short-term rental permit has been issued. Such notice shall include the name and address of the person succeeding to the ownership or control of such dwelling unit.
- 315.407 **Resident Agent Required:** No short-term rental permit shall be issued without the designation of a local agent. The agent must live and work within 30 miles of the dwelling unit. The Agent may, but is not required to be, the owner. One person may be the agent for multiple dwelling units. At all times, the agent shall have on file with the Code Enforcement Officer a primary and a secondary phone number as well as a current address. The agent or a representative of the agent shall be available 24 hours a day during all times that the dwelling unit is being rented at the primary or secondary phone number to respond immediately to complaints and contacts relating to the dwelling unit. The Code Enforcement Officer shall be notified in writing within two (2) business days of any change of agent. The agent shall be responsible for the activities of the tenants and maintenance and upkeep of the dwelling unit and shall be authorized and empowered to receive service of notice of violation of the provisions of City ordinances and state law, to receive orders, and to institute remedial action to effect such orders, and to accept all service of process pursuant to law.
- 315.408 **Denial of Short-Term Rental Permit:** Any applicant aggrieved by the denial of a short-term rental permit or the non-renewal of an existing permit may appeal to the City Council. Such appeal shall be taken by filing with the City Manager within ten (10) days after the date of issuance of the written denial, a written statement requesting a hearing before the City Council and setting forth fully the grounds for the appeal. A hearing shall be held within thirty (30) days of receipt of the request. Notice of the hearing shall be given by the City Manager in writing, setting forth the time and place of hearing. Such notice shall be mailed, postage prepaid, to the applicant at his/her last known address at least five (5) days prior to the date set for hearing.
- 315.500 **RESPONSIBILITY OF OWNERS:** No owner shall undertake or allow the short-term rental of a dwelling unit in a Residential Use District that does not comply with all applicable City ordinances, the laws of the State of Minnesota, and this Section. It shall be the owner's responsibility to ensure that all tenants, occupants, and guests comply with the following:
- 315.501 **Maximum Overnight Occupancy:** The number of overnight occupants allowed for a short-term rental shall be limited as set out below. Children under three (3) years of age are not be counted toward the limit.

For lots of ½ acre or more if the livable square footage of the primary building is:
under 1,500 square feet: 6 occupants
1,500 square feet to less than 2,000 square feet: 8 occupants
2,000 square feet or more: 12 occupants

For lots of less than ½ acre:

under 1,500 square feet: 4 occupants
1,500 square feet to less than 2,000 square feet: 6 occupants
2,000 square feet or more: 8 occupants

315.502 **Off-Street Parking:** The permitted premises shall contain off-street parking spaces equal in number to the number of bedrooms contained in the dwelling unit.

315.503 **Storage of Watercraft:** No watercraft shall be permanently or temporarily placed or stored within the side yard setback of the permitted premises, as prescribed for the relevant zoning district by City Code Section 1102.

315.504 **Maintenance Standards:** Every dwelling unit used for short-term rental shall conform to all building and zoning requirements of the City Code, special permits issued by the City, and the laws of the State of Minnesota.

315.505 **Rental Limit:** No dwelling unit shall be rented out more than 5 times per calendar month.

315.506 **Occupants:** The agent shall maintain a list of all current occupants of each dwelling unit. The agent shall make the list available to City staff and/or law enforcement upon request.

315.600 DISORDERLY CONDUCT:

315.601 **Disorderly Conduct Prohibited:** Disorderly conduct is prohibited on all permitted premises. It shall be the responsibility of the owner to ensure that all tenants occupying the permitted premises and their guests conduct themselves in such a manner as not to cause the permitted premises to be disorderly. For purposes of this Section, disorderly conduct includes but is not limited to, a violation of any of the following statutes or ordinances:

- (1) Minn. Stat. §§ 609.75–609.76, which prohibit gambling;
- (2) Minn. Stat. §§ 609.321–609.324, which prohibit prostitution and acts relating thereto;
- (3) Minn. Stat. §§ 152.01–152.027, which prohibit the unlawful sale or possession of controlled substances;
- (4) Minn. Stat. § 340A.401, which prohibits the unlawful sale of alcoholic beverages;
- (5) Minn. Stat. § 340A.503, which prohibits the underage consumption of alcoholic beverages;
- (6) Minn. Stat. § 609.595, which prohibits damage to property;
- (7) Minn. Stat. §§ 97B.021, 97B.045, 609.66–609.67, and 624.712–624.716, and City Code Section 804, which prohibit the unlawful possession, transportation, sale, or use of a weapon;
- (8) Minn. Stat. § 609.72, which prohibits disorderly conduct, when the violation disturbs the peace and quiet of the other occupants of the permitted premises or other surrounding premises;
- (9) Minn. Stat. § 152.027, subd. 4, which prohibits the unlawful sale or possession of small amounts of marijuana;

- (10) Minn. Stat. § 152.092, which prohibits the unlawful possession or use of drug paraphernalia;
- (11) City Code Section 605, which prohibits public nuisances;
- (12) City Code Sections 803.200 and 803.300, which prohibit public drunkenness and disturbing the peace;
- (13) City Code Sections 601.201 and 601.600, which prohibits littering on private or public property;
- (14) City Code Sections 802.901-802.903, which prohibits pets from running at large and requires immediate waste removal;
- (15) City Code Section 1102.700, which prohibits parking vehicles on required yard or landscape areas;
- (16) City Code Section 605.1006, which prohibits nuisance noise including additional restrictions between the hours of 10:00 p.m. and 7:00 a.m.;
- (17) Minnesota State Fire Code 302 and 307-307.5, which limit recreational fires to no larger than 3'X3' feet, natural wood only, attended until extinguished, conditions permitting; and
- (18) Minn. Stat. §§ 624.20-624.21 which prohibits exploding fireworks.

315.602 **Determination of Disorderly Conduct:**

- (1) A determination that the permitted premises has been used in a disorderly manner as described in subsection 315.601 shall be made by the Code Enforcement Officer upon evidence to support such a determination. It shall not be necessary that criminal charges are brought to support a determination of disorderly use, nor shall the fact of dismissal or acquittal of such a criminal charge operate as a bar to adverse permit action under this Section.
- (2) Upon determination by the Code Enforcement Officer that a permitted premises was used in a disorderly manner, as described in subsection 315.601, the Code Enforcement Officer shall notify the owner and agent by certified mail of the violation and direct the owner and/or agent to take appropriate action to prevent further violations.
- (3) If a second instance of disorderly use of the permitted premises occurs within one year of an incident for which notice in subsection 315.602(2) was given, the Code Enforcement Officer shall notify the owner and agent by certified mail of the violation and shall also require the owner and agent to submit within 15 days a written report of the actions taken, and proposed to be taken, by the owner and/or agent to prevent further disorderly use of the permitted premises.
- (4) If a third incident of disorderly use of the permitted premises occurs within one year after the second of any two previous instances of disorderly use for which notices were sent to the owner and agent pursuant to this subsection, the short-term rental permit may be revoked, suspended, or not renewed. An action to revoke, suspend, or not renew a permit

under this subsection 315.600 shall be initiated by the Code Enforcement Officer in the manner described below.

315.700 PERMIT SUSPENSION OR REVOCATION:

315.701 Procedure:

- (1) Every short-term rental permit issued under this Section is subject to suspension or revocation by the City Manager for any violation of this Section or any other ordinance of the City or the law of the state.
- (2) The Code Enforcement Officer may recommend suspension or revocation of a short-term rental permit to the City Manager. The City Manager shall review the recommendation and the reasons supporting the recommendation and may suspend or revoke the permit. The City Manager shall provide written notice to the owner and agent of the suspension or revocation. The notice shall inform the owner and agent of the right to appeal the decision of the City Manager to the City Council.
- (3) Any applicant aggrieved by the suspension or revocation of a short-term rental permit may appeal to the City Council. Such appeal shall be taken by filing with the City Manager within ten (10) days after date of issuance of the written suspension or revocation notice, a written statement requesting a hearing before the City Council and setting forth fully the grounds for the appeal. A hearing shall be held within thirty (30) days of receipt of the request. Notice of the hearing shall be given by the City Manager in writing, setting forth the time and place of hearing. Such notice shall be mailed, postage prepaid, to the applicant at his/her last known address at least five (5) days prior to the date set for hearing.

315.702 Effect of Suspension or Revocation: If a short-term rental permit is suspended or revoked, it shall be unlawful for anyone to thereafter allow any new short-term rental occupancies of the dwelling until such time as a valid short-term rental permit is restored by the City.

315.703 Effect of Revocation: No person who has had a permit revoked under this Section shall be issued a short term rental permit for one year from the date of revocation.

315.800 APPEAL: The decision of the City Council to deny, suspend, or revoke a short-term rental permit following a hearing as provided for in subsections 315.408 or 315.701 can be appealed by petitioning the Minnesota Court of Appeals by a writ of certiorari.

315.900 Posting: The following language shall be posted at or near the entrance of every short term rental dwelling unit. The posting shall be printed in a minimum 18 point font.

All short term rental of dwelling units shall comply with City Code Section 315. These posted regulations are a summary of a portion of the short term rental regulations. For additional information please refer to City Code Section 315 or contact City Hall.

- No person shall undertake the short-term rental of any dwelling unit without a City permit.
- The property lines of this unit are marked or identified as follows_____

- Every permitted premises shall have an agent within 30 miles available during all times the unit is rented, 24 hours a day at the following phone numbers _____ and/or _____ to respond immediately to complaints and contacts relating to the dwelling unit.
- The **Maximum Overnight Occupancy** for this dwelling unit is: _____ occupants. Not counting children under three (3) years of age.
- No watercraft shall be permanently or temporarily placed or stored within the side yard setback of the permitted premises.
- Disorderly conduct is prohibited. All disorderly conduct will be reported to the property's agent and the Prior Lake Police Department.
- Increased noise regulations are in place between the hours of 10 p.m. and 7 a.m.
- Littering is prohibited.
- Recreational fires are limited please check with the City to determine what prohibitions exist for current conditions.
- Any violation of this Section shall constitute a misdemeanor.

315.1000:

PENALTY: Any person who undertakes or allows any violation of this Section shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine or by imprisonment, or both, in accordance with the provisions of Minnesota State Statutes.