The Lake County Planning Commission sat in session at 6:00 p.m. on this date and conducted hearings & other business.

**Members Present:** Chair Joe Skala, Jim Wienzierl, John Bathke, Dan Zeimet, Rich Sve, and Mike Hoops.

**Members Absent:** Simbre Fosness, Mabel Tarlton

**Planning and Zoning Staff Present:** Christine McCarthy (Environmental Services Director), Neva Maxwell (Land Use Specialist).

Joe Skala called the meeting to order at 6:00 P.M.

Motion by Hoops supported by Weinzierl to approve the minutes from the April 15, 2019 meeting as submitted. Motion passed by unanimous vote.

Rich Sve asked to have a moment of silence in memory of former Planning Commission and Board of Adjustment member, Jim Linscheid, who passed away recently.

The first hearing, I-19-007 was an initial Interim Use application, filed by Joe and Theresa Hansen, which if approved, would allow a vacation rental home at 1788 Hwy 61, Two Harbors, on property described as: Outlot 12-18 of Auditor’s Plat 7 in Section 21, Township 53, Range 10, 3.23 acres, zoned R-4/Residential, two-acre minimum, Silver Creek Township. (PID: 29-5362-21130)

Joe Skala introduced the application. McCarthy read the legal requirements. There was one item of correspondence in opposition.

Joe and Theresa Hansen represented the application. Skala asked if they have seen the application from the Berscheid hearing [former owner, received IUP April 2019]. Theresa Hansen stated they have seen the conditions of the approval. Joe Hansen stated he screwed on the covers to the septic tanks, which was one of the conditions. Mr. Hansen asked about the condition for a 100-foot long fence. He asked if that had been measured. He stated after 50 feet the terrain changes. Hoops stated former owner Thomas Berscheid suggested the 100-foot length.

Skala asked what they plan to do about the [eroding shoreline and failing retaining wall]. Hansen stated they plan to work with Joe Mecklin to get ideas for repairs.

McCarthy encouraged the Hansen’s to talk to Derrick Passe from the Soil and Water Conservation District. She also expressed her concerns over the deck and the footing that has shifted. As a rental, she is concerned that the deck might not be stable.

Sve suggested staff could assist with determining fence length. Skala asked there needed to be no access to the lake. Hansen also asked about the condition for a fence height of 3½ feet, he asked if it could be higher. McCarthy stated high enough to keep someone out. Sve suggested not lower than 3½ feet.

Skala reviewed the conditions of the prior approval.

Joe Hansen asked about the condition of snowmobiles being trailered on the property. He asked if people plan to use snowmobiles, would they have to trailer them after use. Bathke stated snowmobiles aren’t allowed on Hwy. 61 right-of-way; snowmobiles would need to be trailered to a trailhead.

McCarthy clarified the 3½ foot height fence requirement. Maxwell looked up the ordinance requirement for fences in the Shore Impact Zone must be 3½ feet or less and translucent.

McCarthy asked what their plans are for the additional cabins, as they cannot be rented out. Hansen stated they will use the cabins when they go up and the house is being rented.

McCarthy’s only other concern was the septic capacity as it is a 3-bedroom system. Hansen stated John Weidner [Lake County Health Dept.] stated only 2 bedrooms meet the requirements, one cannot be called a bedroom. McCarthy stated the maximum occupancy for rental is 4, which would allow them to use the cabins for themselves.
She cautioned them about overuse of the system.

Sve asked about caretakers. Hansen stated they hadn’t hired anyone yet. They will be using AirBNB for reservations. He has John Chapek currently listed as the emergency contact.

McCarthy stated the garbage needs to be kept indoors until garbage pick-up. This is another reason, she stated, for having a local contact. Maxwell also stated that at the renewal in a year, they are eligible for up to a 5-year renewal, but it is not guaranteed. If there are complaints or other issues, that renewal could be shorter. She explained that a local contact is useful in preventing problems.

Hoops suggested a condition for a plan for remediation of the eroding slope and failing retention wall before the 1-year renewal date. Sve stated having a plan in place will be important for receiving a renewal in a year.

Skala reviewed the conditions. The applicants agreed to these conditions.

Motion by Zeimet supported by Bathke to recommend County Board approval for the initial interim use application for one (1) year with the following findings & conditions:

Findings:
1. Safe access from Hwy 61 and off-street parking exists.
2. Problems exist in regard to hydrology and non-stabilized soils.
3. The vegetation and soil conditions are adequate for proposed use if renters stay off the bluff.
4. There will be no impact to public waters or wetlands from the proposed activities.
5. The septic passed a compliance inspection on 7/9/2018 for 3 bedrooms. The drainage pipes need to be extended to the toe of the bluff.
6. Potential safety issue for renters with the eroding bluff in close proximity to the deck and house.
7. Vacation rentals have not proven to be detrimental to neighboring properties.
8. Vacation rentals are permitted through Sections 6.16 of the Lake County Land Use Ordinance.

Conditions:
1. A 3-1/2 foot high fence must be erected along the bluff, starting at the end of the fence for the retaining wall and continuing for a length to be determined by staff.
2. Signage must be placed on fence “No Lake Access”
3. Renters must be informed that the property does not have lake access.
4. Quiet hours from 10 PM to 7 AM
5. All recreational vehicles must be trailered while on the property.
6. No discharge of firearms or fireworks on the property.
7. All outdoor fires must be limited to use at a designated fire ring.
8. Maximum occupancy of 4 guests.
9. No rental of the 2 guest quarters.
10. Property lines must be marked and guests may not trespass on adjoining properties. The garage will serve as the property line to the east.
11. Slope failure remediation and shoreline restoration plan in place by 1-year renewal.

Motion passed by unanimous vote (PCR-19-008).

Other Business:
McCarthy brought forward a concern from Bob Entzion, member of the Lake County HRA. He is concerned about vacation rentals displacing housing needs. She stated Cook County is also experiencing a housing shortage due to vacation rentals. He has spoken to Silver Bay City Council, School District Superintendent, and the County Board. He is requesting a moratorium on vacation rentals. She is not in favor of this as it has been the biggest problem in Two Harbors where a few families had to move when their rental was sold and new owners turned the house to a vacation rental. Bathke stated the housing shortage is a problem statewide. McCarthy stated she wanted to bring the issue to the attention of the Planning Commission.

Her next item was regarding unpermitted “hip camper” sites which were featured in a Duluth News Tribune article over the weekend. They are advertising 5 different options including a yurt and tiny houses. There is another similar rental near the George Manitou State Park. She stated the office will be following up with these.

McCarthy gave a brief update on the moratorium on vacation rental of non-traditional structures.
She explained she and John Weidner from Lake County Health Department have been working on options for inspecting these structures and criteria they should meet.

Motion by Bathke supported by Weinzierl to adjourn the meeting. Motion passed by unanimous vote.

Respectfully Submitted,

Christine McCarthy
Environmental Services Director