

Planning Commission
Agenda
December 7, 2021 @ 6:00 p.m.

The Planning Commission will meet on Tuesday, December 7, 2021, at 6pm at City Hall.

Any or all members of the Planning Commission & public may potentially attend such meeting by Zoom Video Conference or in person.

Additionally, if attendance at the regular meeting location is not feasible due to the COVID-19 health pandemic/emergency declaration, pursuant to Minn. Stat. Section 13D.021, subd. 1(3).

Members of the public may monitor the meeting electronically from a remote location by joining the zoom meeting at:

Jennifer Sterbenz is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/83620693129?pwd=ZEFcMoxXcHlnVVpUT3RKeDl2UDBxQT09>

Meeting ID: 836 2069 3129
Passcode: 437207

One tap mobile
+16465588656,,83620693129# US (New York)
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Dial by your location
+1 646 558 8656 US (New York)
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+1 312 626 6799 US (Chicago)
+1 669 900 9128 US (San Jose)
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)

Meeting ID: 836 2069 3129
Find your local number: <https://us02web.zoom.us/u/kB3eAauGp>

Planning Commission
Agenda
December 7, 2021 @ 6:00 p.m.

1. Call to Order

2. Approval of Agenda

3. Approval of November 3, 2021 Meeting Minutes

4. Public Discussion

- a. Chelsea Schultz – Short Term Rentals
- b. Michelle Andres – Short Term Rentals
- c. Brenda McNamara – Short Term Rentals
- d. Matt Lepper – Short Term Rentals
- e. Darren Williams – Short Term Rentals
- f. Joel Schultz – Short Term Rentals

5. Commission Business

- a. Short Term Rentals

6. Staff and Commission Member Reports

- a. Staff Report

Total Building Permits Issued in November: **8**

Total Construction Value: **\$85,018.75**

Total Permit Fees: **\$1,052.00**

YTD Construction Values as of November 30, 2021: **\$2,795,343.56**

YTD Permit Fees Collected as of November 30, 2021: **\$25,383.35**

- b. Commission Member Reports

7. Adjourn

Next meeting is tentatively scheduled for

Tuesday, January 4, 2022 @ City Hall

Two Harbors Planning Commission

Meeting Minutes

November 3, 2021

Present: Koehler, Anderson, Glaser, Snowdon, Swanson (Zoom), Nielson, Chapek, Detlefson

Absent: None

Other: Pietila, Sterbenz, Costley

Next meeting: December 7, 2021

I. Call to Order

Koehler called the meeting to order at 6:00 p.m.

II. Approval of Agenda

Motion by **Glaser** to approve the agenda. Support by **Chapek**. *Motion approved by all members present and voting.*

III. Meeting Minutes for August 3, 2021 and September 7, 2021

Motion by **Glaser** to approve the August 3, 2021 and September 7, 2021 meeting minutes. Support by **Snowdon**. *Motion approved by all members present and voting.*

IV. Public Discussion

1. Lake County HRA – Paul Iverson, Bob Entzion, Richard DeRosier all spoke about the housing shortage in Lake County and the affects it's having on the communities, the school system, and the workforce. They all asked the Commission to put a moratorium on short-term rentals.
2. Katya Gordon – Katya read a letter that she wrote to the Commission regarding short-terms rentals and how they can negatively affect the character of neighborhoods and the dynamics of communities.
3. Lake County DFL – Todd Redman spoke about the housing shortage in Lake County and the negative impacts the short-term rentals are having on communities. He asked the Commission to put a pause on short-term rentals.
4. Chelsea Schultz – Chelsea spoke in favor of short-term rentals. She owns 3 properties that she rehabilitated that were previously blighted; she employees 19 people related to these rentals. She would like to see the short-term rentals continue in town.

V. New business

A. Economic Development Strategic Plan

Sterbenz updated the Commission on the economic development strategic plan. The city will be seeking requests for proposals for this project. Sterbenz was seeking a recommendation from the Commission to implement a pause on all city land sales and development on city property until the plan is complete.

Motion by **Chapek** to approve recommending a pause on all city land sales and development on city property until the plan is completed. Support by **Anderson**. Ayes: Chapek, Anderson, Koehler, Snowdon. Nays: Detlefson, Nielson. Glaser abstained indicating that she didn't have enough information to cast a vote. Swanson was unable to vote. Motion passes 4-2.

B. Lot Split Application (931 14th Avenue)

Motion by **Detlefson** to approve the lot split application for 931 14th Avenue. Support by **Chapek**. *Motion approved by all members present and voting. Swanson was unable to vote.*

C. Short-Term Rentals

Commission continued to hear feedback from the public. Lee Bujold & Lake County Commissioner Rick Goutermont urged the Commission to recommend implementing a moratorium on short-term rentals. Bujold discussed the increase in rentals since 2016 and how there are large vacation rental companies getting aggressive about investing in properties and their market is starting to move toward the North Shore. Bujold would like to see the County implement a pause as well.

Commissioner Goutermont spoke about the housing shortage and the impact it's having on the region. He also clarified that vacation rental properties that are under Lake County jurisdiction go through a thorough inspection process along with a public hearing and board approval. They are typically expensive lake properties and not starter homes or workforce housing as is the case in Two Harbors. Commissioner Goutermont indicated that the County wants to help the city to solve the current housing issue and they are willing to partner with the city and provide us the necessary tools to do so. There is County owned property in Two Harbors that the County will protect until the housing

Glaser asked Sterbenz to provide a copy of the city's short term rental ordinance to the Commissioners and gather some additional info as to what other communities do or have done in this situation for the December meeting. Resident Duane Wagner suggested incorporating Lake County Commissioners and Lake County staff into this meeting.

Motion by **Glaser** to review this agenda item at the December 7, 2021 meeting. Support by **Chapek**. *Motion approved by all members present and voting. Swanson was unable to vote.*

VI. Reports & Communications

- a. **Zoning Administration** – Sterbenz updated the Commission on the building permits issued in October 2021.
- b. **Other Reports**- None

Motion by **Nielson** to adjourn. Supported by **Glaser**. *Motion approved by all members present and voting.*

Meeting adjourned at 7:49 p.m.

Recorded and submitted by Jennifer A Sterbenz, Community Development Planner

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Background

My understanding is that the short-term rental ordinance was implemented in 2018 with the understanding that STRs were something new to Two Harbors and that as time went on, it may need to be amended. In the beginning, I think it started out as a traditional operation - people would leave their residence for a vacation and they'd rent their home out for the duration of their absence. People were also renting out a single room while they were present in the home. In 2019, we had approximately 8 permit holders. In 2020, we saw an increase in applications and I believe we were up to 13.

And then in 2021, we saw a huge spike in people purchasing homes for STRs. We have approximately 60 STR permits in Two Harbors; this is in addition to Lake County's permit holders.

The majority of people from out of the area purchasing properties are doing so with the intension of having a place to stay when they travel to the shore. Rental income is their source of revenue to pay that 2nd mortgage. They are also people who have Two Harbors roots and have retained a family home to come back to for vacations. I know this because I communicate with each applicant personally either via email or phone.

The majority of the people who are purchasing these homes for investment properties, already live in Two Harbors or very close to Two Harbors. They are solely for the purpose of generating a 1st or 2nd income.

It is true that these property owners are putting money into the homes and increasing the property values and reducing blight. It is also true that I've gotten more complaints this year due to garbage in the yards, parking, noise, and suspicious activity - specifically many people in and out of these homes at all hours of the night. These are handled by the PD, if there is a call to them, but typically I'm the one people are calling to report these things to. However, given the number of permit holders, I expect to be getting some calls now and then; but they are by no means a problem in that way that I'm aware of.

Application Process

Property owners interested in obtaining a STR permit obtain an application from city hall, me, or from the city's website. Typically they call me first with a lot of questions. I provide them the short-term rental packet. I also advise them that they MUST contact John Weidner, the Lake County Health Inspector, to obtain an inspection of the property. John inspects the property for health, safety, and welfare concerns such as egress windows and smoke detectors. If there are any corrections that need to be made, he is typically pretty generous with the timeline to do so. He follows up to ensure these issues are rectified.

Once the applicant fills out the permit application it comes back to me. I verify that the applicant is the property owner or that there is property owner permission via signature on the app, that

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there are no outstanding obligations to the city such as past due utility bills, and if all is well, I issue the permit. The permit is good thru December 31st of the current year and costs \$125. If application is made after October 1st, the fee is only \$62.50. Applicants must renew each year.

Each time I issue a new permit, I report it to the County Assessor's office so they can ensure the property is in the proper property tax classification. Lake County changed the property tax classifications last year and now vacation rentals are taxed at a rate between residential homestead and commercial properties. The County uses a software program called Host Compliance. They have the ability to scan hundreds of websites to monitor anyone advertising rental properties. They check this frequently and cross reference with my records. They let me know of any properties advertising rentals who have not pulled a city permit. I then reach out to the property owners; they are required to stop renting or pull a permit. There are probably properties renting that we have no knowledge about. They may rent via word of mouth and not on the internet. This happens.

Lodging Tax

On October 1, 2020, the City of Two Harbors lodging tax rate decreased from 3% to 1%, however, Lake County implemented a new 4% lodging tax rate effective that same date. The overall lodging tax rate collected in the City of Two Harbors is 5%. The Minnesota Department of Revenue administers this tax, so hotels, motels, bed and breakfasts, campgrounds, resorts, and short-term rentals all pay their lodging tax directly to the MNDOR.

The 1% proceeds from the City's portion of the lodging tax goes towards the Enda G. tugboat.

Lake County implemented this new tax to raise revenue to fund a Lake County Event and Visitor's Bureau to market Lake County and to fund and promote community events and festivals in the County ("Lovin Lake County").

Area	Lodging Tax Rate
City of Two Harbors	1.0%
Lake County	4.0%
TOTAL	5.0%

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Workforce Concerns

Five businesses were contacted in Two Harbors just to get an idea of what their workforce needs are. Each employer is short staffed (similar to other businesses I'm sure). Below is a summary of how many full or part-time employees they need and would hire (and this is just 5 of many businesses in town). At least 28 of these full-time jobs pay a wage high enough to support a family and they also provide full benefits.

<u>Employer</u>	<u># of Employees Needed and Employer Would Hire</u>
Two Harbors Machine Shop	10 full time
LP	6 full-time
LaBounty	12 full-time
Seagren's Hardware	9 – Combination of full and part-time
Kwik Trip	Currently has 20 full-time employees and 20 part-time employees and they are constantly hiring

At the Planning Commission meeting in November, we also heard from a STR property owner who stated that she employs 19 people between her 3 rental properties for various positions such as cleaning and property maintenance. This is the case with most of the STR – they hire people to clean, do yard work, etc.

Summary

This issue is so complex and varies from city to city greatly depending on location. The pros and cons list for each city can be different as well. Many cities that have regulations started with a similar ordinance to Two Harbors, but have made changes as the vacation rental market has blossomed.

Iron Range

Most of the Iron Range cities don't have short-term rental ordinances because they have sufficient lodging available. They also aren't necessarily tourist destinations, so they aren't competing in that aspect. The market for vacation rentals just isn't there.

North Shore

Duluth has a short-term rental ordinance which was just amended in October 2021 to balance the need to preserve neighborhood character, assist with the current housing shortage, but also keep up with the tourism industry. Duluth has short-term rental permits (valid for less than 21

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days per year). There is no limit on the number of households that can receive these. They cannot be used for more than 7 days in a row. They also have full-time vacation rental permits. These are capped at 60. The cap will increase by 10% of the number of new housing units created in the city in the previous year, or no more than ten (10) new vacation dwelling units per year, whichever is less. They also greatly increased the fees. Short-term rental fee is \$250 annually and the full-time vacation rental fee is \$1,600 annually. They are focusing heavily on inspections and enforcement.

Silver Bay does not permit short-term rentals. The City chose to put a pause on all city land sales and development in order to come up with an economic development strategic plan. Now that it's complete, they have housing projects in the works and are focusing on solving the housing concerns in their town.

Grand Marais, Lutsen, and Cook County do not require licenses.

Lake County put a moratorium in place in 2015 to review their vacation rental regulations. Once they revised their policies, they lifted the moratorium. Lake County would like to work with the city to come up with a mutually beneficial solution to the housing shortage.

Miscellaneous

- Ely implemented a short-term rental ordinance last year. The City worked with St Louis County and the Minnesota Dept of Health to ensure they were all on the same page. An article regarding the ordinance stipulations is attached.
- Several cities across Minnesota have adopted ordinances banning short-term rentals or placing a moratorium on new permits. I have attached the regulations prohibiting short-term rentals for the cities of Bayport, MN and Spring Park, MN (Lake Minnetonka area) just as an example for the Commission.
- Prior Lake, MN updated it's 2015 ordinance (which allows STRs) to ban new STRs from being rented for less than 60 days.
- Rochester treats STRs with five or more beds as "lodging" or "hotel" property with requires a lodging license that imposes inspection requirements stricter than is the case for traditional residential rentals.
- Bloomington requires all STRs be licensed and have a city inspection.

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- Stillwater requires some owners applying for a STR license appear before the Planning Commission to obtain a conditional use permit.
- In an effort to target “party houses”, Roseville and Crow Wing County imposed minimum stay requirements of anywhere from 7 days to 30 days, with some variations depending on seasons.

In addition to the above examples, I received the following suggestions from Commissioners, property owners, STR owners, businesses, and regional residents:

1. Limit STRs to 20-30 days per year
2. Limit STRs to temporary or one time permit for homeowners to host paying visitors on special events, limited to 3 times per year
3. Multiple properties licensed to a single owner are obviously not homesteads and are treated as any other commercial business. Any single property licensed by an owner who is not homestead is also treated as a commercial enterprise
4. Do not permit any STRs at properties that are not homesteaded.
5. Limit STRs to one per block
6. Limit STRs to commercial zones
7. Increase fees
8. Implement an additional tax that would go to a dedicated affordable housing fund. *(this needs to be done legislatively I believe)*
9. Stricter inspections *(the City does not have the staff for this & would need to work with the County)*
10. Use the housing crisis to excite the housing market. This could be possible with a proper plan in place. *(I've met with 2 private developers who indicated that they would both use the units they would construct as short-term rentals to generate a higher profit margin initially, so a proactive plan is necessary).*
11. Make LLC's apply with an owner's name also on the application so the city knows who actually owns these properties. This is public data.
12. Leave it alone and let the market dictate the direction housing takes in Two Harbors
13. Incentives for long-term rental property owners to encourage more permanent housing

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Regulations that Two Harbors already has in place:

1. Lodging tax
2. License fee
3. Quiet hours
4. Parking requirements
5. Property agents required to live within 30 minutes of property.
6. Garbage

Many of the solutions offered didn't prevent STR's, but they deterred many property owners from doing STR's. Cities are now treating STR's as businesses and are therefore holding the property owners to the same standards they would any other business.

SEC. 4.42. SHORT TERM RENTALS

Subd. 1. Purpose. The purpose of this section is to ensure that the short-term rental of dwelling units within the City is conducted, operated, and maintained in a manner so as to protect the public health, safety, and welfare of the citizens of the City of Two Harbors and so as to not become a nuisance to the surrounding neighborhood.

Subd. 2. Definitions. The following terms, as used in this section, shall have the meanings stated:

1. **“Dwelling.”** Any building or portion thereof which is designed for or used for residential purposes.
2. **“Dwelling unit.”** Any room or group of rooms located within a dwelling and forming a single habitable unit equipped and intended to be used for living, sleeping, cooking and eating.
3. **“On-premise sign.”** A sign erected, maintained or used in the outdoor environment for the purpose of the display of messages pertinent to the use of the property on which it is displayed.
4. **“Operate.”** To charge a rental charge for the use of a unit in a dwelling.
5. **“Owner.”** Any person who, alone or jointly or severally with others:
 - (a) Shall have legal title to any dwelling or dwelling unit, with or without accompanying actual possession thereof; or
 - (b) Shall have charge, care or control of any dwelling or dwelling unit, as owner or agent of the owner, prime tenant, or as executor, executrix, administrator, administratrix, trustee or guardian of the estate of the owner. Any such person thus representing the actual owner shall be bound to comply with the provisions of this Section, to the same extent as if such person were the owner.
6. **“Person.”** Any individual, firm, corporation, association or partnership.
7. **“Recreational Vehicle.”** The term “recreational vehicle” means any of the following:
 - A. **“Travel Trailer.”** A vehicular, portable structure built on a chassis designed to be used as a temporary dwelling for travel, recreational, and vacation uses, permanently identified “Travel Trailer” by the manufacturer of the trailer.
 - B. **“Pick-up Coach.”** A structure designed to be mounted on a truck chassis for use as a temporary dwelling for travel, recreation and vacation.
 - C. **“Motor Home.”** A portable, temporary building to be used for travel, recreation and vacation, constructed as an integral part of a self-propelled vehicle.
8. **“Short-term rental.”** The rental or lease of a dwelling unit, in whole or in part, for thirty (30) days or less.
9. **“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 thirty (30) days or less.
10. **“Solid waste.”** Garbage, refuse or any other discarded solid organic or inorganic materials.
11. **“Tenant.”** Any person who is occupying a dwelling unit in whole or in part under any agreement (written or oral), lease, or contract.

Subd. 3. Exemptions. This Section shall not apply to hospital units or rooms, nursing homes, retirement homes, hotels, motels, bed and breakfasts, or other similar rental space that is otherwise licensed by the State of Minnesota or the City of Two Harbors.

Subd. 4. 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.

Subd. 5. Application. An owner desiring to undertake or allow the short-term rental of a dwelling unit in the City shall apply 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 shall include all required information.

Subd. 6. Lodging Tax. Short-term rentals are subject to lodging tax as provided for in Section 6.50 of the Two Harbors City Code. An application for a short-term rental permit must be accompanied by a lodging tax form as prescribed by the City including all required information. A short-term rental permit holder is required to file monthly lodging tax reports.

Subd. 7. Permit Fee. Each application shall be accompanied by payment in full of the required permit fee. The permit fee shall be set by resolution of the City Council and amended from time to time. The fee shall not be prorated.

Subd. 8. Expiration of Permit. Short-term rental permits shall expire annually on December 31 of each year unless suspended or revoked as provided for in this Section.

Subd. 9. Renewal of Permit. Applications for renewal of an existing short-term rental permit must be made at least sixty (60) days prior to the expiration of the current short-term rental permit. All such applications shall be made to the City on forms provided by the City and shall be accompanied by the required fee.

Subd. 10. Permitted Premises. Short-term rental shall only be permitted for dwelling units located on conforming lots as defined in the Two Harbors Zoning Code, Chapter 11 of the Two Harbors City Code. Lots located within the North Shore Management Board Zone which were conforming prior to May 26, 2006, will be considered a conforming lot for the purposes

of this Section.

Subd. 11. Recreational Vehicles. The short-term rental of Recreational Vehicles parked or otherwise located on property outside of designated campsites within the City is prohibited.

Subd. 12. Permit Not Transferable. No short-term rental permit shall be transferable to another person or another dwelling unit. Every person holding a short-term rental permit shall give notice in writing to the City 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.

Subd. 13. Registered 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 City a primary and secondary phone number as well as 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 as the primary or secondary phone number to respond immediately to complaints and contacts relating to the dwelling unit. The City shall be notified in writing within five (5) business days of any change of agent. The agent shall be responsible for the activities of tenants and the maintenance and upkeep of the dwelling unit and shall be authorized and empowered to receive notice of a 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 service of process pursuant to law.

Subd. 14. Responsibility of Owners. No owner shall undertake or allow the short-term rental of a dwelling unit 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 compliance with the following:

A. 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.

B. Parking. All tenants, and guests must comply with City parking regulations, including seasonal on-street and off-street parking regulations pursuant to Chapter 7 of the Two Harbors City Code.

C. Signs prohibited. On-premise signs are prohibited in the R1, R2, and R3 Zone Districts.

D. Tenants. Owner or registered agent shall maintain a list of all current and prior tenants of each dwelling unit, including dates stayed at the dwelling unit. The owner or registered agent shall make the list available to City staff and/or law enforcement upon request.

E. Emergency Contact. The owner shall post within the dwelling unit the name, address, email and primary and secondary telephone number of the owner or any registered agent that can be utilized twenty-four (24) hours a day by tenants or their guests.

F. Noise Standards. For short-term rentals located within the R1, R2, and R3 Zone Districts, outdoor amplified sound that can readily be heard by surrounding property owners shall be prohibited between the hours of 10:00 p.m. and 8:00 a.m.

G. Solid Waste. Owner shall ensure that appropriate recycling and solid waste storage bins are available for use by tenants and guests and shall not be stored in public view.

H. Posted Notice. Owner shall post within the dwelling unit, notice of all use restrictions as set forth in this Section.

Subd. 15. 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 refers to any disorderly conduct violation under Minnesota Statutes or the Two Harbors City Code.

Subd. 16. Permit Revocation. Every short-term rental permit is subject to revocation for violations of this Section or any other provision of Minnesota Statutes or the Two Harbors City Code.

A. Violations. Violations of this Section shall be reported to the Zoning Administrator who shall review the violation and provide written notice to the permit holder of the violation and any necessary remedial actions.

B. Revocation. If a permit holder fails to correct a violation or receives three (3) violations within any twelve (12)-month period, the Zoning Administrator shall recommend revocation of the short-term rental permit to the City Administrator. The City Administrator shall review the recommendation and the reasons supporting the recommendation and may revoke the permit. The City Administrator shall provide written notice to the owner and any registered agent of the revocation. The notice shall inform the owner and agent of the right to appeal the decision of the City Administrator to the City Council.

C. Appeal. A permit holder aggrieved by the revocation of a short-term rental permit may appeal to the City Council. Such appeal shall be taken by filing with the City Administrator within ten (10) days after date of issuance of the written 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 Administrator in writing, setting forth the time and place of the hearing. Such notice shall be mailed, postage prepaid, to the permit holder at his/her last known address at least five (5) days prior to the date set for hearing.

D. Effect of Revocation. If a short-term rental permit is revoked, it shall be unlawful for anyone to thereafter allow any

new short-term rental occupancies of the dwelling unit until such time as a valid short-term rental permit is issued by the City. 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.

Subd. 17. Violation. Any person who undertakes or allows any violation of this Section shall be guilty of a misdemeanor.

Source: Ordinance No. 114

Effective Date: 05-29-2018



CITY OF TWO HARBORS

522 First Avenue, Two Harbors, MN 55616
(218) 834-5631 · FAX (218) 834-2674

Permit Application Guide

This guide will help you complete an application for Short-Term Rental in Two Harbors.

The Short-Term Rental Permit is the City's way of allowing temporary commercial activities while ensuring they do not disturb neighbors, are compatible with surrounding properties, pay applicable lodging tax and following housing regulations.

The City has chosen to address these needs by requiring any homeowner who wishes to rent their home on a short-term basis to apply for an annual permit.

Application Instructions

The following instructions help explain the information that is requested in the Short-Term Rental permit application.

The application must be completed and filed with the City Clerk along with the applicable fee. The City will inform you of whether or not your application is approved or denied. If approved, a Short-Term Rental Permit will be issued, which must be displayed in a conspicuous place onsite during all rentals. No homeowner may host a short-term vacation rental without a permit.

Box 1. Type of Application.

Select whether this is a new or renewing application for a Short-Term Rental.

Box 2. Applicant Information.

- The applicant must provide the information required by the permit application and must have the consent of the property owner in writing to submit the application.
- A fee of \$125 for an annual permit must be submitted with the permit application.

Box 3. Property and Property Owner Information.

The property where the short-term rental will occur must be identified. The property owner must also sign this document if that person is different than the applicant.

Box 4. Certification.

The applicant must certify and affirm to the statements as shown on the permit application.

Box 5. Fee.

The applicant must include the appropriate fee based on whether the application was made before or after October 1 of the current year.

Approval

The Short-Term Rental Permit is an administratively approved permit. It can be approved once the Zoning Administrator determines the application is complete, the property is located in the correct zoning district, the standards applicable to the short-term rental are met and the application fee is submitted. The Zoning Administrator can impose conditions on the approval of the short-term rental as he/she deems reasonable and necessary to protect the health, safety and general welfare of adjacent uses and the community.

Revocation

The City can revoke a Short-Term Rental Permit and pursue enforcement procedures, including penalties, according to the provisions of Section 4.42 (short-term rental regulations) and Section 11 (zoning regulations) of the City Code if the applicant is found to be in violation of permit conditions or other laws, rules, standards and regulations.



CITY OF TWO HARBORS

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Short-Term Rental Permit Application

GOVERNMENT DATA PRACTICES ACT - CLASSIFICATION WARNING: The data you supply on this form will be used to process the permit you are applying for. You are not legally required to provide this data, but we will not be able to process the permit without it. Some of the data will be classified as public data if and when the permit is granted.

1. Type of Application

New Renewal

2. Applicant Information

Name: _____

Address: _____

Telephone #: _____ Email Address: _____

Application # (to be assigned by City): _____

3. Property Information

Street Address: _____

Parcel #: _____

Zoning District: _____

Name of Property Owner (if different from Applicant): _____

Address: _____

Telephone #: _____ Email Address: _____

Signature of Property Owner

Date:



CITY OF TWO HARBORS

522 First Avenue, Two Harbors, MN 55616
(218) 834-5631 · FAX (218) 834-2674

4. Certification

- 4.1 I affirm that my short-term rental will not interfere with the quiet use and enjoyment of my neighbor's property.
- 4.2 I affirm that I will provide all necessary reports and make all lodging tax payments just as other businesses in the community are required to do. I will provide a monthly report even if no rental activity occurred within that month.
- 4.3 I affirm that my short-term rental will comply with Section 4.42, of the City Code regulating short-term rentals.
- 4.4 I affirm that I am aware of and will comply with all Federal, State, and local requirements with respect to providing short-term rentals.

Signature of Property Owner

Date:

5. Fee

- 5.1 The annual fee for this Short-Term Rental Permit is \$125.00 or \$62.50 if the application is for the Short-Term Rental Permit is made after October 1 of the current year.
- 5.2 \$_____ accompanies this application in payment of the fee for the current year based.

CITY USE ONLY

Date Received: _____

Approved: _____

Approved with the conditions below:

Denied: _____

Signature of Zoning Administrator

Date:

Short-Term Rental Regulations



Definition- A “short-term rental” is the renting of a room or entire residence for a period of less than 30 days and not at an established bed and breakfast, hotel, motel, or similar commercial establishment.

Purpose- The purpose of this ordinance is to ensure that the short-term rental of dwelling units is conducted, operated, and maintained in a way to protect public health, safety, and welfare of the citizens of Two Harbors and visitors alike.

1. Permits-

A. Any owner wishing to use their residence for a short-term rental must apply for a short-term rental permit. A fee of \$125 dollars is associated with the application. The fee will cover the cost of administering the program and providing notice to neighbors within a 300-foot range of the property.

B. All permits expire annually on December 31st of each year and an application for renewal must be made a minimum of 60 days prior to the expiration of the current permit.

C. The permit is not transferrable to another person or another dwelling unit. Written notice must be provided to the City of Two Harbors within 5 business days after legal transfer or disposition of legal control of the dwelling unit. The name and address of the person succeeding ownership or control of the dwelling unit is required.

D. A local agent must live within 30 miles of the dwelling unit. This agent may or may not be the owner of the dwelling. This agent may be the agent for multiple dwelling units. The agent must provide the City a primary and secondary phone number and current address. This agent must be available 24 hours a day during the time a dwelling unit is being occupied to respond to complaints and contacts regarding the dwelling unit. The City must be notified within 5 business days if there is any change of agent. This agent is responsible for the activities of tenants and the maintenance and upkeep of the unit.

2. Lodging Tax-

Enclosed in the permit application will be a form to provide the payment of a lodging tax, just as similar businesses within the community are required to do so. The operators of a short-term rental are required to file a monthly lodging tax report, even if no rental activity occurred in that month.

3. Owner Responsibilities-

A. All dwelling units must conform to all applicable City building and zoning requirements, special permits issued by the City, and Minnesota state laws.

B. On premise signs are prohibited.

C. The owner must keep a record detailing all current and prior tenants, including names and dates stayed. A copy of this list will be made to the Planning and Zoning Administrator upon request.

D. The owner will post within the dwelling unit their name, address, email, and primary and secondary phone numbers and the same contact information of any agents.

E. Quiet hours shall be between 10 p.m. and 8 a.m. Any outdoor amplified sound during this time that can be heard by neighboring property owners is prohibited.

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F. Owners must ensure appropriate recycling and waste bins are available for use by tenants and must not be stored in public view.

G. The owner must post within the unit a notice of all use restrictions outlined above.

4. Permitted Premises-

A. Short-term rental will only be permitted in dwelling units with conforming lots, as defined in Chapter 11 of the zoning code. Lots within the North Shore Management Board Zone which were conforming prior to May 26th, 2006, will be considered a conforming lot.

B. The short-term rental of a recreational vehicle (RV), camper, or another similar vehicle within the City is prohibited.

5. Parking-

All seasonal on-street parking regulations must be followed. Please refer to the text bellow regarding the parking ordinance. Off street parking is in effect in the City of Two Harbors November 1st. Residents should be reminded that it is unlawful to park or leave standing any vehicle on any street between the hours of 2:00 a.m. and 6:00 a.m. every day from November 1 of each year to April 30 of the year next following. If snow has fallen, the prohibited hours on any street shall be from 2:00 a.m. to such time as snow plowing curb-to-curb has been completed on such street, unless otherwise directed by resolution of Council. It is also important to remember that City Code prohibits parking a vehicle on any boulevard which has been curbed.

6. Disciplinary Actions, Permit Revocation, and Violation Procedures-

A. All violations shall be reported to the Zoning Administrator, who will review the violation and provide written notice to the permit holder and any necessary remedial actions. It will be up to the discretion of the Administrator and/or Chief of Police to determine if a violation took place.

B. If a permit holder fails to correct a violation or receives 3 violations within a 12-month period, the Zoning Administrator will recommend the revocation of the permit to the City Administrator, who will review the recommendations and reasoning for revocation.

C. Any penalty from unpaid lodging taxes shall also count as a violation.

D. If a permit is revoked, it is unlawful to allow any new occupancies of the dwelling until a new permit is issued by the City.

E. If a person has their permit revoked, they will not be able to be issued any new permits for one year from the date of the revocation.

F. A permit holder may appeal to the City Council if their permit is revoked. An appeal to the City Council must be filed with the City Administrator within 10 days after the issuance of a revocation notice. A written statement is required. A hearing will be held within 30 days of receiving the request. A notice will be mailed to the permit holder's last known address at least five days prior to the date set for the hearing.

To view more information about planning and zoning in Two Harbors,
visit: www.twoharborsmn.gov

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