

Planning Commission
Regular Meeting Agenda
February 15, 2022 @ 6:00 p.m.

The Planning Commission will meet on Tuesday, February 15, 2022, 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/87167005259?pwd=c0xneE41L0R3K2lMQmNaL1NDMTN2UT09>

Meeting ID: 871 6700 5259

Passcode: 910021

One tap mobile

+13126266799,,87167005259# US (Chicago)

+16465588656,,87167005259# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 301 715 8592 US (Washington DC)

+1 346 248 7799 US (Houston)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 871 6700 5259

Find your local number: <https://us02web.zoom.us/j/87167005259>

Planning Commission
Regular Meeting Agenda
February 15, 2022 @ 6:00 p.m.

1. Call to Order
2. Approval of Agenda
3. Approval of Meeting Minutes: January 4, 2022 and January 18, 2022
4. Public Discussion
5. Commission Business
 - a. Land Transaction
 - b. Short Term Rentals – Review & Update Regulations/City Code
6. Staff and Commission Member Reports
 - a. Staff
 - b. Commissioners
7. Adjourn

Next meeting is tentatively scheduled for

Tuesday, March 1, 2022 @ City Hall

Two Harbors Planning Commission

Meeting Minutes

January 4, 2022

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

Absent: None

Other Sterbenz

Next meeting: January 18, 2022 (Special Meeting) & February 1, 2022 (Regular Meeting)

I. Call to Order

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

II. Approval of Agenda

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

III. Meeting Minutes for December 7, 2021

Motion by **Detlefson** to approve the December 7, 2021 meeting minutes. Support by **Snowdon**. *Motion approved by all members present and voting.*

IV. Public Discussion

1. **Sue Bott** – Bott spoke about her experience as a realtor in Two Harbors and the surrounding area. She is having trouble placing people in any kind of housing in Two Harbors due to the shortage. She believes the short-term rentals are contributing to this. People from the cities are paying cash for properties above asking price. This is eliminating young people and families who want to grow Two Harbors from staying/returning to town. She suggests capping the number of short-term rental permits that are issued each year. She doesn't want to see anyone with a current permit affected however. Bott stated that the cost of construction is so high right now that new construction is out of reach for many. Just to build a starter home easily looking at \$300,000 plus. The workforce is being affected. She also indicated that lack of infrastructure is a barrier to new housing as well. Rustic Creek is great when used properly; It has been a stepping stone for many homeowners. Lots of transient going on and people don't know anyone is town anymore – no sense of community.
2. **Brenda McNamara** – McNamara spoke at a previous meeting in favor of short-term rentals. She has since dug into the matter a bit more and found out that only 8 of the short-term rentals are licensed with the Dept of Health. She feels that a moratorium should be in place for the city to work with the County and ensure all rental units are licensed properly before issuing more permits.

V. New Business:

A. Commission Organization

Nomination by Swanson to appoint Detlefson as Chairperson of Commission for 2022. Detlefson declined nomination and nominated Koehler. Swanson nominated Chapek. Voting for Koehler: Detlefson, Anderson, Snowdon. Voting for Chapek: Swanson, Glaser, Nielson. Koehler and Chapek abstained. Tie Vote. Motion fails. Reverts to Koehler? Motion by Glaser to appoint a Vice Chair. Commission unanimously voted Chapek as the Vice Chair. Sterbenz to automatically be the Secretary.

B. Short-Term Rentals

Commission continued to discuss short term rentals. Items of discussion were capping the number of permits given out by the City each year, requiring documentation that applicants have passed the health inspection, raising the fees/implementing some sort of fee structure, requiring brokers instead of just a local agent, and reviewing definitions for the short-term rental code. County will join the January 18, 2022 meeting. Discussion of when the moratorium would take effect. Agreed this was an attorney question.

Motion by **Glaser** to implement a moratorium on all new short term rental applications not received by the 15th of January, 2022 until such time as the ordinance can be reviewed and updated. Moratorium to end by May 15th, 2022. Support by **Detlefson**. *Motion approved by all members present and voting.*

VI. Reports & Communications

- a. **Zoning Administration** – Sterbenz updated the Commission on the building permits issued in December 2021. Also advised the housing study is almost complete. Sterbenz, Clerk Nordean, and Interim Administrator/Finance Director Pietila opened the RFP's received for the Economic Development Strategic Plan. They will be meeting again the following week to tabulate proposals and put together Council documentation. Commission is short by one member. Swanson indicated an appointment is coming forward at the Council meeting on 1/10/2022. Glaser indicated that the candidate does not live within city limits and she would like the Commission to be mindful of this. She prefers someone who lives in City limits to be making zoning decisions for the community. Commission will work on the 2022 work plan at the February meeting. Also, amendment needs to be made to the Zoning Code Update regarding B1 Zone.
- b. **Other Reports**- Glaser would like the Commission to start looking into funding to update the Comprehensive Plan.

Motion by **Detlefson** to adjourn. Supported by **Anderson**. *Motion approved by all members present and voting.*

Meeting adjourned at 8:10 p.m.

Recorded and submitted by Jennifer A Sterbenz, Community Development Planner

Two Harbors Planning Commission

Meeting Minutes

January 18, 2022

Present: Koehler, Snowdon, Swanson, Glaser, Detlefson (Zoom). Lake County Representatives: Matt Huddleston, Commissioner Rick Goutermont, Christine McCarthy, Bob Entzion (Lake County HRA) and Susie Rosette (Lake County HRA)

Absent: Chapek, Anderson, Nielson

Other: Sterbenz

Next meeting: February 1, 2022

I. Call to Order

Koehler called the special meeting to order at 6:03 p.m.

II. Approval of Agenda

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

III. Public Discussion

None

IV. New Business:

A. Short-Term Rentals

Planning Commission and Lake County representatives discussed how to better coordinate the health inspections on short term rentals. These are required as per state law. The Lake County Health Inspector is John Weidner. Lake County acts as the administer for MN State Health Department licensing. Currently there are only 8 short-term rentals in Two Harbors that have the proper certification. Huddleston discussed the differences between the County and the City's zoning ordinances in terms of vacation rentals. County process is much more vigorous. Commission will incorporate this feedback into ongoing discussions regarding reviewing and updating the STR code and regulations.

B. Housing

Commissioner Huddleston let the Commission know that the housing consultant the County hired has started. Bruce will be a great resource for Lake County as his knowledge and expertise is in municipal advising. He has a strong background in economic development/redevelopment finance (TIF, abatement, bonding, etc.) which can help push some projects along in Two Harbors that require complicated financing packages. Lake County received \$2 million dollars in ARPA funds and would like to collaborate with Two Harbors (& other cities in Lake County) to construct additional housing. Susie discussed the need for more affordable housing. She suggested possibly combining the Lake County HRA and the Two Harbors HRA since the groups have the same function. At a recent meeting Christine attended, she was told that by the year 2030 over 60% of the population in Lake County will be seniors. Group discussed possibly obtaining a wetland delineation at Seagog and constructing utilities to undeveloped properties. The Planning Commission and Lake County will meet again in a couple of months. Sterbenz and Huddleston will continue to work together on collaborative potential projects.

Meeting adjourned at 7:54 p.m.

Recorded and submitted by Jennifer A Sterbenz, Community Development Planner

Lake County Atlas | Parcel Map



2/15/2022, 11:59:50 AM

Roads

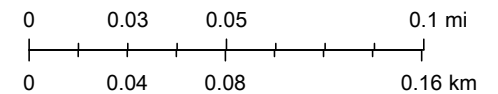
Other Paved, MN Highway

Other Paved, County-State Aid Highway; Other Paved, County Road

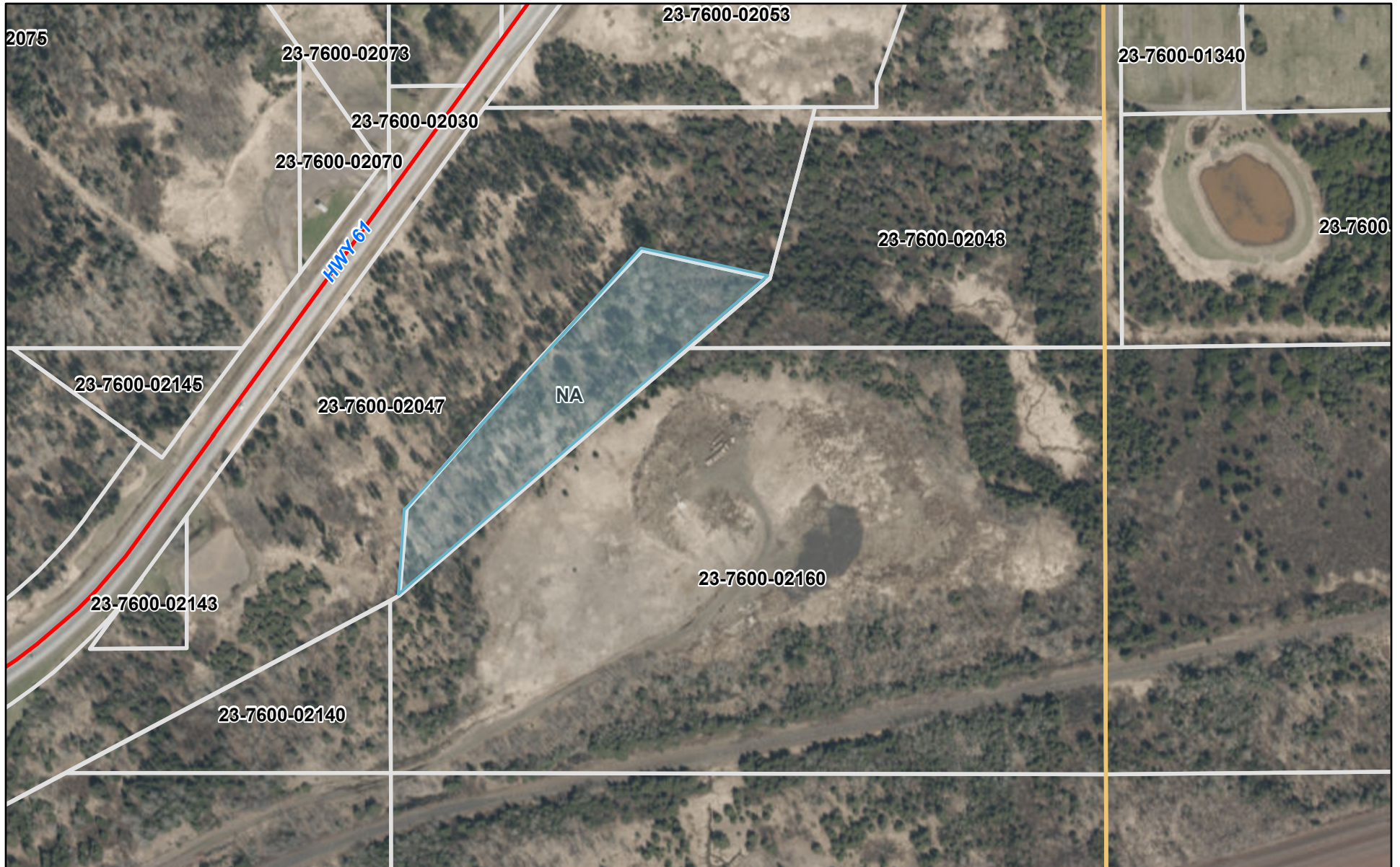
Townships

Sections

1:4,514



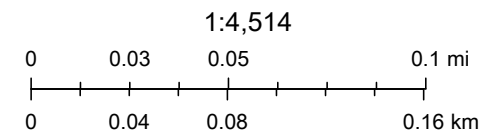
Lake County Atlas | Parcel Map



2/15/2022, 12:04:17 PM

Roads
Other Paved, MN Highway
Townships

Sections
Regional Government; Private; Municipal; Unknown



Lake County Atlas | Parcel Map



2/15/2022, 11:55:58 AM

Roads

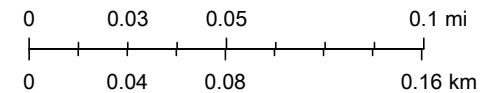
Other Paved, County-State Aid Highway; Other Paved, County Road

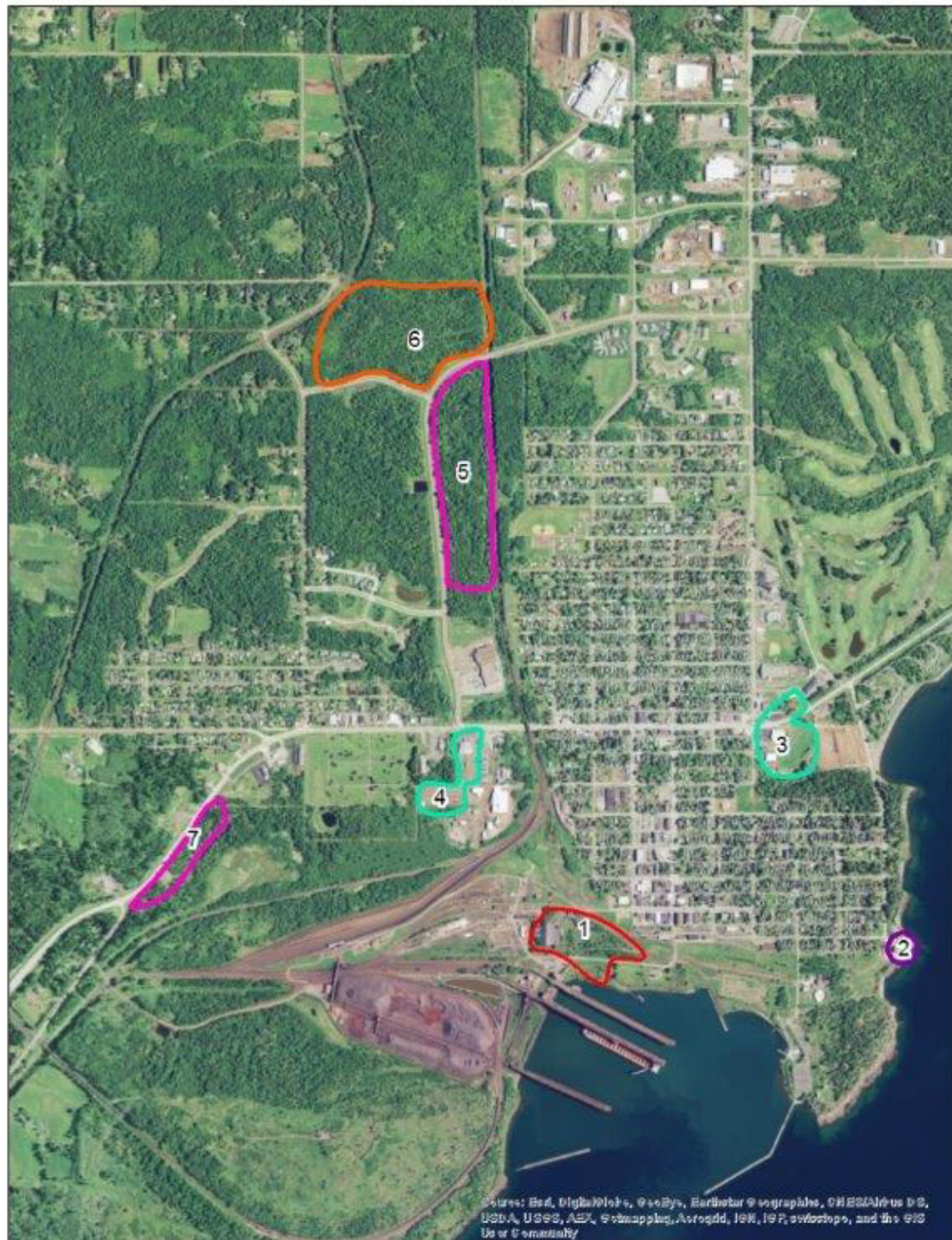
Other Paved, Municipal Street

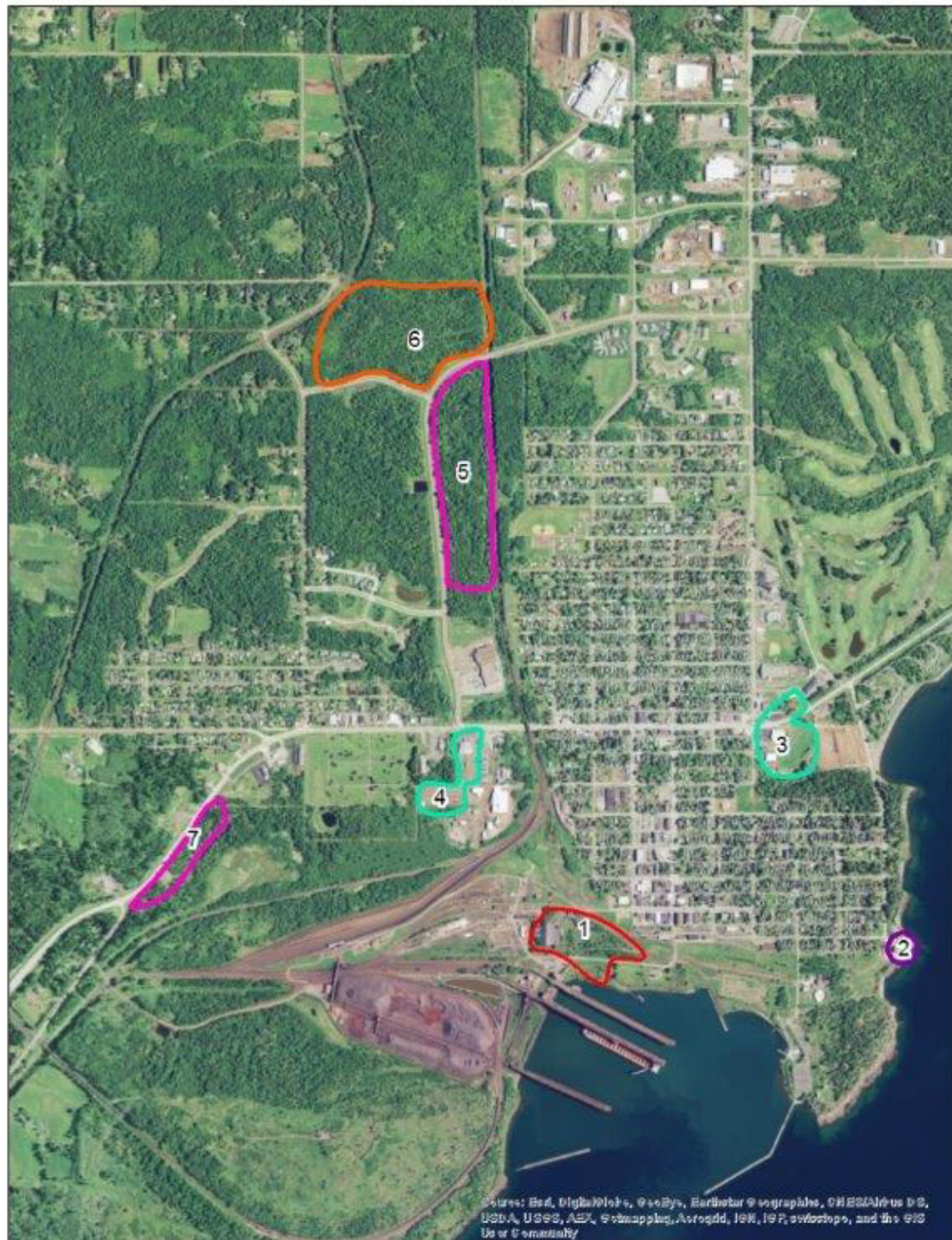
Townships

Sections

1:4,514







Sources: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus D.C.,
USDA, USGS, AeroGRID, IGN, IGP, swisstopo, and the GIS
User Community

Short-Term Rental Regulations

Definition: A “short-term rental” is the renting of a room or entire residence for a period of less than 28 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 **\$1000.00** is associated with **the original 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.

Renewal permits will be \$500.00 yearly. The fee will cover the cost of administering the program and providing notice to neighbors within a 300-foot range of the property. It is the owner of the permit to file for the annual renewal, it is not the responsibility of the City to send reminders.

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. **All permitted properties must have 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.

Short term rentals with greater than XXX beds that are being rented by one owner or LLC must obtain a broker

Definition of Broker will be needed

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 county 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, the MN. Department Health, Lake County Health Department and Minnesota State laws, as well as certification and License from the AIRBB ASSOC. All yearly health department inspections must be preformed prior to the permit being renewed.
- 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

F. Owners must ensure appropriate recycling and waste bins are available for use by tenants and must not be stored in public view. **Property shall maintained in accordance to all city ordinances: to grass mowing and snow removal from the adjoining public sidewalks.**

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 26, 2006, will be considered a conforming lot.

B. The short-term rental of a recreational vehicle (RV), camper, or another similar vehicle **as well as any other mobile unit that is not on an attached foundation** within the City is prohibited.

5. Parking-

All seasonal on-street parking regulations must be followed. Properties are required to provide off street parking for 2 vehicles per unit.

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 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. **No permitting fees will be returned at the time the permit is revoked. A new permit fee will be applied after the 1 year 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

Contact: Jennifer A Sterbenz, Community Development Planner Phone: 218-834-8804

Email: jsterbenz@twoharborsmn.gov

- I looked at tax rates/assessed values of one known Short Term Rental and two other homes in the City that have recently complained about increasing property taxes. A couple things to note relative to this (albeit Narrow) Cross Section. The STR is a more expensive (larger) home. The increase in market value in comparison to the value of the short term rental is comparable to a homeowner's regular maintenance and upkeep. The greatest tax increase to the City comes from the loss of Homestead Tax Credit on the Short Term Rental.

• Address			TMV		TMV		Increase		County tax inc.		City tax inc	
Units	\$	%	%	%								
817 5th (SF Home)			20-21		56,951	32.7	45.7		38.1			
823 5th (SF Home)			20-21		114,924	22.4	20		13.7			
408 2nd ave (STR)			20-21		190,400	35	76.9		67.6		STR (lost Homestead)	

- Application Form -Additional blanks should be added to the application for the maximum occupancy (if this is included with the health department permit) and the number of off-street parking spaces. If no off street parking spaces, the applicant must produce some form of documentation on how they can meet the city ordinance from 11/1 to 4/1 when on-street parking is prohibited at night.

- Notification - The complaints that I have heard from property have been due to uncertainty of the status of a property. (Is it a Short Term Rental or is an application under review?) While the County makes a STR a Conditional Use and requires public Notice, the City Process has no notification requirement. I believe that a notification requirement of propoerty owners (within 100'?) of a Vacation Rental should be required. This is not atypical of rezoning requests and should be a part all new and renewing STR permit applications. A standard Post Card identifying the address of the Short Term Rental, Person at City to Contact relative to concerns, and date of action on the permit should all be a part of the should be a part of the post card. This would throw a waiting period in to the short term permit application.

- The ordinance that the City currently has is NOT broken, it just needs to be enforced (Required inspections) and amended to allow neighborhood input/notification and assist in the enforcement of City Code (parking). The occupancy notification is a simple safety and sanitary precaution. Short Term Rentals are a valuble part of the Tourism Economy that supports Two Harbors and should be managed to minimze adverse impacts to our residents.

-

Thanks,

Derrick Passe

Jennifer A Sterbenz
Community Development Planner

Occupancy

The total number of persons that may occupy the vacation dwelling unit is one person plus the number of bedrooms multiplied by two. You may rent no more than four bedrooms.

How many legal bedrooms are in the dwelling?

What will be your maximum occupancy?

Parking

Off-street parking shall be provided at the following rate:

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

How many off-street parking spaces will your unit provide? _____



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.

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.

Contact: Jennifer A Sterbenz, Community Development Planner
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Email: jsterbenz@twoharborsmn.gov

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-

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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,
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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