

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, November 1, 2021

6:00PM
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Sanders at 6:00PM.

ROLL CALL

PRESENT: Mayor Tim Sanders, Councilmembers Julie Jeppson, Chris Massoglia, Richard Paul, Jess Robertson, and Jason Smith.

Adjunct Member Drew Brown.

ABSENT: Councilmember Wes Hovland.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Community Standards Director Bob Fiske; Public Works Director Jon Haukaas; Finance Director Joe Huss; City Engineer Dan Schluender; City Attorney Chris Nelson; Communications Manager Ben Hayle; Police Captain Russ Clark; Deputy Finance Director Ali Bong; and City Clerk Catherine Sorensen.

3.1 Short Term Rental & Group Home Regulation Discussion.

Community Standards Director Fiske stated during the recent rental licensing update at the September 20, 2021 council workshop, council requested staff to research what other cities are doing regarding short term rental (STR) properties as well as city licensing of state licensed residential assisted living and group homes. There has been an increase in short term rental properties within the city. This has included short term rentals that are ongoing on various media sites as well as short term rentals that are confined to short periods such as during the 3M Golf Tournament and USA Cup. Some complaints have been received regarding the properties from neighbors. There has additionally been complaints generated from various licensed care facilities. These facilities are generally licensed by other government entities but complaints regarding the facilities are received by city staff. Staff described the type of

licensing that was in place in other cities throughout the metro area and requested feedback from the council.

Councilmember Jeppson asked if these cities distinguished between owner-occupied rentals and VRBOs/AirBNBs where the owner could be out of state. Mr. Fiske explained this was not distinguished, but noted a local rep was required by some cities to oversee the property.

Councilmember Smith indicated he supported residents renting out their home for the USA Cup and during the 3M Golf tournament through a streamlined short term rental process.

Mayor Sanders stated he has heard the most concerns coming from people who are renting a single room in their home, versus renting their entire house. Mr. Fiske reported this was allowed through city code as an accessory use noting two boarders were allowed per home. City Attorney Nelson advised rental licensing also allows for the renting of rooms.

Councilmember Jeppson recommended the city define the timeline within any ordinance language. She indicated this could become a difficult ordinance for the city to enforce because rental leases could be signed for a day, a weekend, a week or a month.

Councilmember Robertson anticipated that there were far more residents doing it right than those that were doing it wrong when it came to short term rentals. She explained she had a difficult time imposing restrictions to address a handful of homeowners who were taking advantage of the process and did not want to penalize those who were responsible property owners and renters.

Councilmember Paul discussed the positive impact short term renters have on Blaine's economy.

Councilmember Massoglia stated the complaints he has received have been mostly on one property in Blaine where parties were being held. He indicated he could support the city setting a minimum stay standard in order to avoid houses being rented by the night for parties. He stated he did not support what Prior Lake did in setting a 60 day minimum. In addition, he did not support setting requirements by zoning district. He commented the city already had licensing and inspections in place, which should assist in addressing some of the issues.

Councilmember Robertson was concerned that if more restrictions were put in place, variances would be requested, or people would go on breaking the rules.

Councilmember Jeppson stated this was a new type of rental and a new way of making money that the city could not have anticipated when the ordinances were written. She commented the city was learning about this new model and supported a time restriction being placed on

short term rentals. She supported a minimum of 30 days with an exception for the USA Cup and 3M Golf tournament. She indicated she did not like to create rules just for the sake of making rules, but noted there were some short term rentals in the city that were causing a great deal of concern.

Councilmember Massoglia shared concerns that it would be difficult for the city to monitor all of the large events in the community and for that reason recommended a 30 day minimum not be put in place.

Councilmember Robertson said she did not support the city putting any regulations in place at this time.

Mayor Sanders commented he would like for there to be some tool in place for residents using their home as a short term rental in the event that should a problem arise the rules can be enforced.

Councilmember Smith stated licenses could be issued and revoked if rules are not followed. Mr. Nelson reported there were rules within city code that addressed parties, disorderly conduct, and the suspension of rental licenses.

Councilmember Paul supported homeowners having to notify their neighbors if their home was being rented out. Mr. Fiske noted one city he researched did require homeowners to notify their neighbors of an upcoming rental.

Councilmember Robertson was of the opinion that the city had tools in place to address short term rentals, given the statements that have been made by the city attorney. Mr. Fiske spoke to the language that was in place and noted there were residents concerned about the transient nature of rental properties and being impacted by having new people coming and going from their neighborhood every night.

Councilmember Massoglia supported a three day minimum being put in place for short term rentals.

Councilmember Smith was concerned that people would find a way to work around this requirement.

Councilmember Massoglia stated it would be a step in the right direction to have a minimum in place.

Councilmember Robertson commented again that she did not support the city further regulating short term rentals. She did not believe it would be in the city's best interest to try and address the handful of concerns that have been raised through additional regulations.

Councilmember Jeppson agreed people are going to continue this behavior until they are caught, which when they do then fines should be enforced with a hierarchy based on the number of offenses.

Councilmember Paul supported families being able to rent their homes on a short term with some restrictions in place. He anticipated neighbors would always raise concerns, but he supported short term rentals going forward.

Mayor Sanders summarized the comments from the council noting short term rentals should be treated like long term rental properties with staff looking at the types of restrictions or fines that can be put in place. He reported he wanted residents to feel safe in their homes and if untoward things were occurring in Blaine neighborhoods, he wanted staff and the police department to have the tools in place to address this concern.

Council consensus was to establish fines, increase penalties for short term rentals to address properties with concerns; continue to regulate group homes as allowed by law.

3.2 2022 Proposed Sanitation Fund Budget.

Finance Director Huss explained the sanitation fund accounts for the city's refuse and recycling program and said Walters Recycling and Refuse, Inc. provides refuse collection and recycling services for all Blaine residents. The current contract term, which was extended in 2019, is from January 1, 2016 through June 30, 2024. Staff commented further on the projected revenues and expenditures for 2022.

Councilmember Massoglia asked if the contract with Walters had set costs through 2024. Mr. Huss explained the rates for disposal and collection escalate annually. He reported the city has to predict the amount of tonnage that is collected from each household. He indicated the city's goal was to reduce the amount going into the landfill by promoting recycling. He noted the city takes a very conservative approach when estimating or predicting these numbers.

Councilmember Massoglia questioned what the administrative charges and support fees were for. Mr. Huss described how the administrative fees were calculated and charged by Walters. He discussed the work that was completed by staff to process utility bills. He indicated most of the administrative fees being charged were recovering fees for the city's recycling program.

Councilmember Paul asked if the proposed increase would cover estimated costs. Mr. Huss explained this was the case. He reported Blaine's fees for garbage and recycling were quite low when compared to other cities that managed refuse services.

Mayor Sanders agreed and believed Blaine residents were receiving tremendous service from Walters, adding they have been a great partner.

The Workshop was adjourned at 7:00PM.



Tim Sanders, Mayor

ATTEST:



Catherine Sorensen, CMC, City Clerk
Submitted by Minute Maker Secretarial