

**MINUTES CITY OF BEAVER BAY OF ZONING CHANGE PUBLIC HEARING  
OCTOBER 4, 2022 5:30 P.M. BEAVER BAY COMMUNITY CENTER**

NOTICE IS HEREBY GIVEN to the Public that on **Tuesday, October 4, 2022 at 5:30 pm**, the Beaver Bay City Council will hold a public hearing to consider changing Zoning Residential Ordinance 1204.03 Subd. 7.1 , by adding L) In the residential neighborhood lying north of Minnesota State Highway 61 (also known as Main Street), no more than seven (7) permits may be issued for vacation rental homes at one time. In the residential neighborhood lying south of Minnesota State Highway 61, no more than three (3) permits may be issued for vacation rental homes at one time.

**CALL TO ORDER 5:30 P.M.**

**COUNCIL ATTENDANCE:** Mayor Tom Gmach, Council Persons Buddy Kindstrand, Gigi Maxwell, Sean McDonald, Katrina VanNort and City Administrator/Clerk/Treasurer Tim Anderson.

**PUBLIC IN ATTENDANCE:** Debra Anderson, Tom Harris, Michael Kofstad and Bob Strand.

**Mayor Gmach opened the public hearing and called for comments:** Mr. Harris questioned why the numbers 7 above highway 61 and 3 below highway 61 were chosen. He was informed that those numbers equal 20% of the residential housing in those neighborhoods. I was determined above that 20% levels it begins to substantially change the intended use of residential areas. Mr. Harris verbalized the number of Short Term Rentals (STR) were overwhelming his neighborhood. Mr. Strand stated he could not understand why we were going to limit the only growing commercial enterprises in the city. He stated he had relatives that were interested in moving back to the area but needed the extra income from STR to make it affordable. Mr. Strand pointed out that it is not economically feasible to build new single family dwelling for month to month rental due to the low return on the investment. Mr. Strand stated that because STR pay a higher rate of taxes it lowers the taxes for residential property owners. Mr. Strand pointed out that there used to be many more properties that were rented out as short term rentals back in the 60's (He the distributed a map with marks locating where buildings were in the past that had been used as STR) and inquired if it would be legal to try to lower that number now. It was pointed out that there had been many zoning ordinance changes implemented since the 1960's regulating uses, for the public safety and wellbeing, and because the buildings are no longer there they would have to follow current ordinances. Council Person VanNort pointed out that the increase in STR was having an impact on availability of housing for local workers which contribute to worker shortages. Mr. Strand inquired why we don't put limits on gift shops and gas stations if we limit STR development. It was pointed out that gift shops and gas stations need to follow zoning ordinances and if it started to be a concern for the community the zoning may need to be updated. Mr. Kofstad pointed out that we should allow more STR if it were a new construction to encourage new development. Mr. Kofstad stated we need to encourage new development to help with lowering the tax burden. Council Person Maxwell pointed out that her observation was the STR market has improved the looks and appeal of the properties.

**Mayor Gmach called for comments:** Mr. Strand stated he felt the city had nothing to risk and increasing the number of STR would profit the community.

**Mayor Gmach called for comments:** Mr. Harris inquired if one of the existing STR permits were given up, would that allow anyone in that neighborhood to apply? He was informed that is how the proposed ordinance change is written.

**Mayor Gmach called for comments** Hearing no more response or comments a motion to adjourn was made by Mayor Gmach and seconded by Council Person Kindstrand. Vote: Aye 5, Nay 0.

Adjourned: 5:55 p.m.

Mayor Gmach:\_\_\_\_\_

Tim G Anderson, Clerk/Treasurer:\_\_\_\_\_