

Osakis City Council / Planning & Zoning
Public Hearing
June 25, 2019
7:00 PM

City Council Present: Randy Anderson, Laura Backes, Keith Emerson, Justin Dahlheimer, Jerry Olson
Absent: None

Planning & Zoning Present: Kyle Kostrzewski, Tyler Dahlheimer, Sam Larson, Justin Dahlheimer
Absent: Dirk Hagedon

Others Present: Angela Jacobson, Don Moore, Jan Moore, Deb Lysford, Lynnette Swenstad, Rebecca Callahan, Annie Hemstock, Tom Haase, Jim Quistorff, Scott Triebenbach, Shelly Triebenbach, Jim Snyder, Bev Snyder, Terry Hetland, Dan Marthaler, Chad Gulbranson, Lil Ortendahl, Calvin Uhl, Janet Steinbrecher, Kim Head, Tim Head, Sean Gay, Jayme Olson, Jan Temple, Rodger Larson, John Swenstad, Paul Hartmann

Meeting was called to order by Mayor Keith Emerson at 6:30 p.m.

Motion by Dahlheimer, seconded by Olson, to approve the agenda as presented. All Ayes

Council discussed the strategy for running the public hearing.

Motion by Dahlheimer, seconded by Olson, to open the public hearing to hear public comments regarding a proposed Rental ordinance and VRBO (Vacation Rental by Owner) ordinance at 7:00 p.m.
All Ayes

Pledge of Allegiance was spoken.

Emerson read a statement regarding the procedure for the meeting. Emerson also commented that a lot of communities around have rental ordinances.

J. Dahlheimer stated that the Planning & Zoning Commission member are also here tonight. There are lot of issues that come across the board and with the current ordinances we lack an ordinance that can enforcement them. The rental ordinance has been brought up a couple times before and is a tool that we have been without.

Bev Snyder – Lives on K Street and the properties by her that are being run as VRBOs is disrupting the neighborhood. There are different people weekly and it makes them feel uncomfortable.

Jan Moore provided pictures of the property next to her. In May of 2018 their property was listed on a VRBO website and the owners were renting it out less 30 days. The owners received several letters from the city stating that they were in violation but continued to operate it as a VRBO.

Moore stated as tax payers, it is not right to make us endure this.

Jim Snyder – Challenging to live on K Street with 2 short term rentals on the same block. We didn't buy our place to live next to short term rentals. It is uncomfortable to live there and Snyder is not in favor of approval.

Paul Hartmann – VRBOs have existed in town for 150 years. Schultz’s rooming house operated back 70 to 90 years ago and is not a fan of government stepping in.

Hartmann asked how are you going to handle long term vs short term rental. He doesn’t see a long term problem with short term rentals.

Terry Hetland – Some properties are not in good condition. Tenants and landlords have to go by state rules. Hetland asked – Why does the city need to regulate more than the state does. He has not had any problems, renters shop in town and one of his renters is just moving out after 7 years and buying a house in town. Hetland has never had a problem.

Ann Hemstock asked if short term rentals would be required to collect lodging tax and have health inspections?

J. Dahlheimer said that the lodging tax would be explored.

Rodger Larson had a couple of suggestions:

- Have a \$100 per bedroom annual fee. Most of those fees would go to law enforcement. Gulbranson would need to provide statistics for calls that are to rental properties.
- If a rental property allows pets, then an area must be provided for the pets to relieve themselves.

Larson said that it is not right for pets to go on other people’s properties.

Jamie Olson was in attendance. Olson is part owner of the property on Lake Street that is renting out their property as a VRBO. Olson understands there could be problems with neighbors but when people come off the interstate, one of the first stops is Osakis. They go to the gas station and grocery store and that must have an impact on Osakis.

Olson – If it was only monthly rentals, we would not have stuck that kind of money into the property. If people can afford \$300 to \$400 per night, hopefully they are more responsible than not.

J. Dahlheimer said the main intent is to create enforcement for an ordinance that is not being enforced and would like to see registrations for rentals and who the city can get ahold of if there are problems.

Dahlheimer also doesn’t want a rash of properties that are run down in town. He stated that he would take a renter that pays \$300 to \$400 per night for a VRBO 10 times over the issue that he had to live by.

Don Moore is upset that they were allowed to remodel and turn it into a VRBO.

Dahlheimer stated that people can remodel a home.

The city does not ask what they are going to do with the property when they come in for permits.

Angela Jacobson commented that the current ordinance is that they cannot rent out the property for less than 30 days.

It is a long and slow process if they violate the zoning ordinance and is not effective.

Janet Steinbrecher – For VRBOs we set up the rules for the property and the tenants have to abide by those rules. As owners, we can rate them so others see how they were as renters. We want our properties run better so law enforcement doesn’t get called.

Tom Haase spoke and has one rental unit in Osakis and four in Alexandria and does not rent out for less than a month. Haase stated that in Alexandria to have a permit to rent, he has to pay an annual fee of \$7.50 for each apartment (side by side) and \$20 for a single house. Alexandria runs periodic checks and the properties can be inspected anytime. The permit must be posted. And if people want a dog, he charges a non-refundable fee of \$500.

Dan Marthaler (City of Osakis Building Inspector) stated he was the compliance officer in Melrose. He also believes the VRBO and Long Term Rental ordinances should be separated.

Marthaler said there is no justification with Terry Hetlands landlord/tenants rules. Things go on with it and the number one issue is over occupancy. Marthaler asked what's so tough about staying with the regulations and informing the city who to contact?

Sam Larson thanked everyone for showing up and informed the public that we don't intend to have a VRBO ordinance right away but right now, the current ordinance has no teeth for landlords to comply. We want to try to come up with an ordinance that can be enforced.

Lil Ortendahl asked if the apartments above the businesses will be included.

Dahlheimer said yes.

Part of the rental ordinance would include having an onsite manager.

Hasse commented that in Alex, you need a manager within 50 miles.

Shelly Triebenbach – Has four rentals in town and asked what other towns have rental ordinances that are similar size?

Albany, Melrose and Long Prairie have rental ordinances.

Tribenbach asked what is the intent of the ordinance? For August, the bill is changing to the owners name and the city will have that information. She also asked about the people that live in run down places all the time and have junk on their property.

Marthaler said – If a tenant has an issue, what do they have to do to file a complaint? Usually renters would file complaints because they want to get out of a lease. A rental ordinance protects the good landlords.

Rodger Larson – The higher the rent gets, the better quality of renters. There is a lot of mention of police calls at the council meetings and Gulbranson should know what calls they go to.

Gulbranson will set some numbers of calls that are renters vs property owners.

Tom Hasse said that police were called to one of his rental units four times and had to hear from neighbors about the calls.

Ortendahl said there are properties in town that are still a mess after 20 years. There needs to be more details so it can be enforced.

Terry Hetland said that when we sat and talked about this ordinance, it was suggested that it include 1 strike, 2 strikes, 3 strikes and then a fee has to be paid. Hetland would appreciate if the council keeps this in mind.

Jim Snyder thought the council should have a show of hands who was in favor the ordinance.

Dahlheimer said that we have a method to abate, but it is a slow process and we want to be civil about it.

Rodger Larson feels it needs to be all of town or nothing.

Hartmann stated that he has properties in multiple towns. You can have 2 renters per bedroom plus one more person. He has never been requested to tell who lives in the rentals and never had to produce a lease.

Don Moore asked if there was a list of all rental properties in town.

Jacobson said that we have a list and would look into if it was public information.

John Swenstad asked if there could be a limit of the number of rentals on one city block. In his neighborhood, there are several and its not like having a neighbor there that you know every day. He feels the property values go down and would like the council to consider.

In St. Joseph, an ordinance was approved that if you own a house you have to live in it.

Hartmann commented that everyone needs a place to live, not everyone can afford high rent. The ordinance will be pointless if it can't be enforced.

Mayor Emerson wanted to thank everyone for coming and informed them that the council will take all under advisement and see what we can do to make a decision.

Motion to adjourn the meeting at 8:21 p.m.

Mayor – Keith E. Emerson

City Clerk/Treasurer – Angela A. Jacobson