

**Meeting Minutes**  
**New Prague Planning Commission**  
**Wednesday, August 23, 2023**

**1. Call Meeting to Order**

The meeting was called to order at 6:31 p.m. by Chair Dan Meyer with the following members present Brandon Pike, Ann Gengel, and Shawn Ryan. Absent was Jason Bentson.

City Staff Present: Ken Ondich – Planning / Community Development Director, and Kyra Chapman – Planner

**2. Approval of Meeting Minutes**

**A. June 28<sup>th</sup>, 2023 Regular Meeting**

A motion was made by Ryan and seconded by Gengel to approve the June 28<sup>th</sup> regular meeting minutes. Motion carried (4-0).

**3. OLD BUSINESS**

**A. None.**

**4. NEW BUSINESS**

**A. Review of Ordinance Creating New Chapter 154 to the City Code Regarding Rental Dwelling Licenses**

Planning Director Ondich introduced the proposed City Code to establish a rental dwelling license. Since 2008, the City has had a rental registration program that tracks rental properties, and their associated contact information. A rental dwelling task force was established in July 2022 to discuss the proposed rental dwelling unit inspection ordinance. Although the Planning Commission hasn't been involved with these discussions, the City Attorney recommended that Planning Commission hold a public hearing before City Council makes a final decision. The proposed ordinance would require rental dwellings to do a rental inspection every two years at a cost of \$100 per building plus \$25 for each additional unit. Inspections are intended to last between 20-30 minutes and are looking for items affecting life/safety such as operable windows, doors, guardrails, and smoke detectors. Rental inspections do not include motels/hotels, nursing homes, licensed group homes, snowbirds, and other properties inspected by county, state or federal properties such as buildings owned by HUD, CDA, and USDA.

Ryan inquired if there are Airbnb rentals in town and if they would require a rental inspection.

Planning Director replied that there are some in town and it will be required.

Meyer commented that it would be hard to regulate if someone decided to Airbnb their home for two weeks and how it was different from those defined as snowbirds renting their homes.

City Attorney Anderson remarked that making rules are different than enforcing them. It would be difficult to determine this since it would require investigating openings/availabilities on Airbnb. Staff could revise the wording in the ordinance as well as the difference between a snowbird and short term rentals.

Pike asked how rental inspections would be scheduled.

Planning Director Ondich explained that the inspections would occur over the span of two years. Rental properties in the city located in Le Sueur county will be inspected every odd year and properties in Scott county will be inspected every even number year. There have been a few discussions on having the inspections every three years.

Pike asked who will be doing the inspections.

Planning Director Ondich clarified that Building Official and Building Inspector will conduct the inspections during the winter months when it's a slower time of year. The rental inspections aren't being proposed to fill staff time.

Pike inquired if the inspectors will be given any guidelines on how to interact with the tenants during the inspection. The tenants could potentially complain about more things that aren't on the inspection list.

Planning Director Ondich explained that under the current law, if a tenant complains about their rental to the city, the city must notify the landlord and do an inspection. Many tenants are afraid to complain out of fear of being evicted.

City Attorney Anderson explained that the proposed rental inspection would prevent the tenant from being penalized for a complaint.

Planning Director Ondich mentioned that the rental inspection ordinance will be reviewed by City staff and the City Attorney every year to make sure that it's meeting statutory changes. The fee schedule will also be reviewed annually at the end of the year.

Planning Director Ondich also added that when a landlord buys another landlord's property, they will need to do a rental inspection. Many landlords don't know they have to do a rental registration. In the past, staff had to track landlords down by checking their contact information on their utility bills.

Pike asked if staff could expand on violations.

Planning Director Ondich stated that the purpose of the rental inspection is not to nitpick but to ensure the safety of the unit. If there is an issue with the unit, the city would like to hear about it soon rather than wait for the inspection.

City Attorney Anderson said that it's very rare to revoke a rental inspection license. Most landlords want their properties to be habitable for their business. To revoke a rental inspection license, it would have to be brought to council.

A motion was made by Ryan seconded by Pike to open the public hearing at 7:07 pm.

Joe Lambrecht from 2791 Westview Dr. stated that the rental registration ordinance doesn't do anything for the landlord but acts as another tax base. Landlords and tenants can refer to the attorney general handbook or contact lawyers to learn more about their rights. Instead of doing an inspection every two years, it would be better to do it every three years because it's less taxing. The rental registration price could increase within the next 10 years.

City Attorney Anderson stated that one of the main reasons to establish this ordinance was due to the lack of education or ability for tenants to exercise their rights. Tenants have a right to inspections and compliance matters. As of right now, tenants may be scared to address this with the landlord.

Pike commented there could be a way in which the amendment could be more fair to the landlord.

Lambrecht added that the landlord's put time, repair work into their properties while taxes continue to rise each year. The inspection fee ends up being an increase in their rent.

Michele Kotek from 617 1<sup>st</sup> Ave SE said that \$100 can add up over time. Many families live paycheck to paycheck, which can make it or break it for some people. She didn't understand how weeds or junk were on the rental inspection list.

City Attorney Anderson stated that an accumulation of junk or weeds can harbor vermin, which can eventually lead to property damage to the home.

Kotek stated that the rental registration seems redundant since landlords already have to follow state statute.

City Attorney Anderson explained that a home can go 10-20 years or more without inspections without this ordinance.

Michele suggested that instead of adopting the ordinance, the state handbook should be passed out to landlords and tenants.

Scott Adamek explained that he has several long-term renters, therefore, the inspections will become redundant over time. Tenants may be unhappy having people come in their unit. In Shakopee, they offered a Phase 1 Training to teach landlords how to avoid getting problem tenants. The program was aimed at reducing crime in the City of Shakopee.

Planning Director Ondich explained that in January of 2023, Shakopee started their own rental inspection program. The Crime Free Lease Addendum helps protect the landlords and allows landlords to remove tenants before the end of their lease.

City Attorney Anderson explained that there are two reasons why the city didn't go this route. The main reason is that crime isn't really an issue but rather a way to ensure safety. Secondly, there can be lawsuits when implementing a Crime Free Lease Addendum. If it's not an issue now, the city won't require it.

Dan Dagestad from 617 1<sup>st</sup> Ave SE advocated for a longer inspection period than two years. Landlords typically fix any issues that are occurring on the property.

Ryan proposed that if a rental property passes inspection, then they don't have to do another inspection for a while. If the rental property fails, then they may have to do an inspection sooner.

City Attorney Anderson explained that this could cause more burden on city staff in terms of labor and time which may indirectly increase the fees.

Kay Wilcox at 310 1<sup>st</sup> Ave NW explained that when inspectors come in to do the inspections, they may be able to notice social issues such as drugs or malnourished children.

City Attorney Anderson stated that the inspectors will be able to observe issues on the property and contact the police if they'd like.

A motion was made by Ryan seconded by Pike to close the public hearing at 7:47 pm. Motion carried (4-0).

A motion was made by Ryan seconded by Pike to approve the proposed ordinance to City Council with the suggestion to add the laddering inspection timespan to the ordinance. Motion carried (4-0).

## **B. Review of Zoning Ordinance Amendment – Screening Requirements**

Planner Chapman introduced the screening ordinance amendments. She stated that since the previous Planning Commission meeting, a section on the industrial uses along arterial roadways and warranty and escrow were added to the proposed ordinance amendment. If an industrial use abuts an arterial roadway, the applicant must obtain a conditional use permit to make sure the property is adequately screened. The warranty and escrow section requires that the screening trees must be alive and planted by the end of the 1-year warranty time period. Sites that are completed between October 15<sup>th</sup> and before May 15<sup>th</sup> shall have until July 1<sup>st</sup> to plant the required trees but will only be issued a temporary certificate of occupancy until that time.

Planning Director Ondich clarified that as of right now, the two arterial within the city are TH 21 & 19. Section (4)(2) of the proposed screening ordinance is similar to the residential occupancy requirement.

Pike inquired what the escrow will cost on the fee schedule.

Planning Director Ondich said that the fee could be a set dollar amount like it is for residential properties, or it could be a percentage of the value of the landscaping.

Ryan suggested that the wordage could include “forfeiture” if the work isn’t done or completed by the timeframe.

Pike inquired what “forfeiture” would mean.

Planning Director explained that forfeiture means that the City would take whatever money the business had from their escrow and do the work for them if not done by the timeframe. Staff can do more research on what bigger cities are doing.

A motion was made by Ryan seconded by Pike to open the public hearing. Motion carried (4-0). The public hearing opened at 8:03 pm.

A motion was made by Pike and seconded by Gengel to close the public hearing. Motion carried (4-0). The public hearing closed at 8:04 pm.

A motion was made by Ryan and seconded by Pike to forward the ordinance amendment as written but with some potential modifications on escrow language. Motion carried (4-0).

## **5. Miscellaneous**

### **A. Complete Streets Policy Discussion**

The topic was tabled for next month’s meeting.

### **B. Comprehensive Plan Update**

Planning Director presented the Comprehensive Plan Update. MSA is currently trying to schedule a third Steering Committee meeting. Steering Committee is currently reviewing/revising the land use map. There will be a joint meeting with Planning Commission and City Council to occur shortly after the next Steering Committee meeting.

### **C. Interim Ordinance (Moratorium) for Cannabis Businesses – Ord. #338**

Planning Director Ondich explained that in July of 2023, City Council passed an interim ordinance on cannabis businesses. The moratorium will end on January 1<sup>st</sup>, 2025 or earlier. State won’t issue licenses to retail it until the office of Cannabis Management is set up. City Council just introduced an ordinance that prohibits cannabis use in public places. Individuals may smoke on their property, in their yard, and events which allow cannabis use. Businesses can decide to allow their customers to use cannabis or not.

Pike asked if cannabis can be used in public places.

Planning Director Ondich explained that cannabis is prohibited on sidewalks, streets, alleys, or parks. State law specifically also doesn't allow cannabis use to be in close proximity to children.

Gengel asked if there is any interest in a municipal cannabis dispensary.

Planning Director Ondich said that it could be a possibility.

#### **D. Monthly Business Updates**

Planning Director Ondich presented the August Business updates. He explained that one new home permit was issued in July for a total of 7 residential home permits this year. MVE Biological Solutions are on their third phase of expansion, which includes the addition to the east side of their building. There is continued interest in the three industrial lots in the industrial district.

### **7. Adjournment**

A motion was made by Ryan, seconded by Gengel, to adjourn the meeting at 8:12 pm. Motion carried (4-0).

Respectfully submitted,

A handwritten signature in black ink that reads "Kyra J. Chapman". The signature is written in a cursive, flowing style.

Kyra J. Chapman  
Planner