

EAST BETHEL CITY COUNCIL WORK MEETING

April 8, 2024

The East Bethel City Council met on April 8, 2024, at 6:00 p.m. for the regular City Council Work meeting at City Hall.

MEMBERS PRESENT: Kevin Lewis Brian Mundle Bob DeRoche
Tim Miller Jim Smith

ALSO PRESENT: Matt Look, City Administrator
Aaron Berg, Community Development Director

1.0 Mobile Home Park Expansion & Utilities Connections

1.0A Wastewater Decommissioning

1.0B Verification and Certification of System

1.0C Non-Conforming Ordinance

Berg indicated the first issue was the zoning problem with the current Code stating that no person is to construct, locate, operate, or maintain a manufactured home park in the City unless it is in a B1 Commercial Business Zone, and this is currently zoned R1, which is the multifamily townhome zone. He stated if they fix that issue, then there was a setback issue. He indicated the existing park did not meet the City's standards and, therefore, it was nonconforming. He stated the nonconformity Statute did not permit expansion, but they were proposing an expansion.

Berg stated if they remedied that hurdle, the next issue was the requirements for manufactured homes within the City. He noted the City required certain setbacks that might not be possible to meet in the existing park and the setbacks would not conform with the new additional setbacks.

Berg indicated another issue was the sewer and water and whether their current system could handle the additional 33 homes. He noted he had had conversations regarding this with the City Attorney along with the attorney for Cedar Woods and they said it could handle the additional 33 homes. He noted however, that the hook up would be \$3,185 per unit and Met Council was not willing to do a one time hook up cost, so it was probably too expensive to connect to the sewer system.

Berg stated with respect to the sewage treatment plant, he did not believe the plan was able to handle this, or there might be some fix that might need to be done to the plant to meet today's standards. He noted if they were required to provide the City with a certification and something was found less than standard, then they have "opened up a can of worms."

Berg noted if the plant could handle it and it could be certified to handle 33 more units, then there would not be an issue in terms of benefit to the City. However, if they were connecting to their own well and their own sewage plant he was trying to find a benefit other than a small bit of increased property tax and maybe a few more homes in the community with the hope of some potential retail at some point.

Berg stated there were "a lot of hurdles" to get over and this is on top of their existing park. He noted the owners were attempting to replace homes within the park with more modern homes, but the City had to issue stop work orders on the homes being replaced because they were expanding the footprint of an existing manufactured home that was built in the 1960's and 1970's. He indicated manufactured

homes today were larger than ones built in the 1960's and 1970's with those size of manufactured homes were no longer available. He noted the City Statute said they were not allowed to expand, which meant if they put a larger manufactured home on a lot where they removed a small, manufactured home, they were in theory expanding, and meeting current zoning standards versus the zoning standards of the time were "two different animals."

DeRoche asked why would the City not want new homes put in, even if the new homes were larger than the current homes. He noted the new homes would look much nicer and this would eliminate some of the "not so nice homes." Berg responded there were some public safety issues. He noted the City followed a 10-foot standard, which required other buildings to be placed a minimum of 10 feet apart. He indicated this was for safety, including fire safety, to keep fires from jumping from one building to the next.

DeRoche believed that would be an issue with any mobile home park with the homes being fairly close. He noted if there was a big enough fire, whether they were put up according to zoning, they were going to go up.

Berg pointed out that the City's new standards were much stricter than the standards when the park was originally put into place, so some of those accountabilities were taken into account. However, if the park by their expansion plan needed to meet the City's current zoning Code for manufactured homes, they might not get 33 homes in there, which is what they were proposing. He noted the City's sidewalk requirements were different, the setbacks are different, there was an 80-foot buffer zone required around all manufactured home parks, according to the current manufactured home development plan. He stated the City also had a requirement for 15 percent green space and the park's plan proposed eliminating one playground for a manufactured home, so they are going to have to find some space for a community park.

DeRoche asked if the State allowed for different guidelines for mobile homes versus residential homes. Berg responded he had had conversations with the City Attorney regarding this and he believed it was the City Attorney's opinion that it did not meet the zoning Code, but he indicated there were a lot of questions that still needed to get answered if Council was comfortable with exploring the idea of moving forward.

Lewis asked if staff had found any evidence that this had been approved by the City Council versus Bethel. Berg responded he had done research on this dating back to 1957 when the mobile park permit fee was issued and this was the only information he could find in the history of the City. He stated he was not able to find the permit either, and all he was able to locate was information that on January 31, 1969, Harland Kemper paid \$50 for a mobile home park fee. He indicated at that time, mobile homes were more seasonal homes according to State Statute. He stated he had spent many hours researching this to figure out how this all came to be about.

Berg stated his guess was that in 2008, when the entire City was rezoned, this was when it became a nonconformity problem. Prior to that, it was probably a business zone, which potentially got missed in the creation of then new zoning Code, or maybe it was done intentionally to limit where new manufactured home parks could be located. He acknowledged this was a complicated issue and it was going to take a lot of steps and work to resolve it.

Look asked if the Council wanted to make an exception; did they want to expand a nonconforming entity; do they want to rezone this; and do they want their systems tested. He asked if the system did not meet the requirements, or if could not handle the increased homes, would the City require them to hook up to the Met Council system, which could be a cost prohibitive. He also asked if the City would help defer some of the costs if they had to hook up to the Met Council system.

DeRoche expressed concern with having the MPCA come in and test. He asked what happened if they found the present system “junk” and then it was shut down.

Mundle asked with respect to zoning, if they followed the zoning format for manufactured home parks today, would that allow more or fewer homes than the 33 being proposed. Berg responded with his assumption of an 80-foot buffer zone around the entire property, which would eliminate a lot of space already.

Mundle asked if that 80-foot buffer would only be on two sides as the other two sides were already connected to the rest of the park. Berg noted that was a good question.

Mundle stated the reason he was asking the question was because if the manufactured home standards were followed which allowed for far fewer homes, would that be another reason of whether they want to go forward with this. Look stated he believed this was a cash flow scenario in terms of the numbers, and if the City did not want to make an exception, that would reduce the cash flow and therefore it would not make it financially beneficial to proceed with.

Lewis asked if the zoning could be changed. Berg responded he was hesitant to do that and he was not sure if this was the original intent, or if there was an oversight when the Zoning Code was being redone, or if it was intentional.

Look noted this could arguably be grandfathered in, but the question then would be if this would be spot zoning if it were changed.

Lewis noted another issue to consider was crime and he believed whenever you had people living closer together, you get consequences of that. He noted they still needed more facts also. He stated they wanted to work with businesses that had been in the City for a long time, but they needed to know if this was a failed sewer system.

DeRoche asked if there was any documentation when the Met Council made some kind of deal with the trailer park. Berg responded there might be in the actual legal documents. He indicated he knew they had to drill a separate well, but he did not know if it was at the same time as the sewer connection conversation. He stated former City Administrator Davis had initiated conversation with Met Council which led to the understanding of the cost per unit. He noted, however, that the leadership at the Met Council had probably changed, as well as State leadership, so philosophies had changed as to what could and could not be done. He stated if it was cost prohibitive already for the park, then that was probably not an option for them.

Lewis asked if the business could continue to exist and operate as they are now without hooking up. Berg responded there was still the issue of the manufactured homes they want to replace, but they

could continue to operate as legal nonconforming. He noted they could come in and ask for variances for the replacement of the existing homes to new homes if they wanted.

Lewis stated that at least it would allow them to continue to operate as opposed to the other scenario, which would be to shut it down. Berg responded that was correct.

Lewis stated he was not interested in driving businesses out of the City, especially long-term residents without major problems. Berg noted the problem with granting variances was once a variance was granted, that opened up other people asking for variances and pretty soon "the dominoes started to fall," which was how variances worked.

Smith asked how long ago the business change hands. The applicant responded he believed it was October, 2001.

Smith asked if there had been any inspection of the system done at that time. The applicant responded he did not know if an inspection had been done and his knowledge was limited with respect to this.

Berg noted in conversation with the selling company, there was a CUP, which had never been located.

Smith asked if the audience member could look through their paperwork to see if an inspection had taken place. The applicant responded he could not find any CUP and nothing went through the County's files. He noted he had spoken with Berg numerous times and he had gone through all of the paperwork provided to them. He did not believe the people who had owned the property had never asked for or received an actual permit for a CUP, so he believed they thought that they were grandfathered in. He indicated he had spent many hours doing as much research as he could possibly find.

Smith asked if the purchase agreement had mentioned anything about an inspection.

Lewis stated to keep this moving along, did Council want to agree that at least a test needed to be done.

The applicant stated if they would not be allowed to put in new larger homes, many of the existing homes would need to be taken away, but they did not want to "chase out" long-term residents until their home was so bad that it was deemed inhabitable. He noted many of the residents were good residents who kept their yard nice and were not a public safety issue. He stated these residents were just living on a fixed income. He stated every City had to have a percentage of low income according to the Statutes, and they fit the category of low-income housing.

The applicant noted they could no longer get homes that fit on the existing sites, which would eventually "kill" their business if the homes could not be replaced with larger homes. He stated meeting the current standards would be difficult for them. Berg stated in order for them to meet the existing Codes, they would have to essentially remove every other manufactured home and then they could be replaced with a doublewide home, but by doing that they would be losing half of their inventory, which financially would be difficult.

Mundle believed in this particular scenario, the City would be able to work with them to help improve the park, but that was a separate discussion. The applicant noted with respect to Lewi's concern about crime, he asked what was the crime like today compared to when the previous study came out. The applicant stated he removed people that had any issues. Lewis noted he was looking at the 2019 study.

Berg indicated it was written into the Code for existing manufactured home parks, that there are exceptions to compliance issues because they could not expect an existing park to move things around for the current zoning standards, which gave them a legal nonconformity. However, now when they were talking about an expansion to do something on a piece of raw ground, they were required to then meet the new standards.

The applicant believed there were a lot of benefits to this if they could get past these hurdles.

Berg asked if the standards were set to 12 homes, for example, would it make sense to put in 2 new streets, run the piping, curb, and gutter for 12 homes. The applicant responded they had originally proposed 21 homes and in working with the watershed, they eventually got it down to 14 homes. He indicated this was not cheap and he had already spent a half of a million dollars, which would take a long time at \$400 per month per site to collect back. He stated they were in this for the long haul and they were a growing company.

Look stated if the primary question was the system, the City could work with the applicant on this. He noted there were a number of hurdles to try and get over if the applicant felt it was financially advisable to move forward. However, it was going to "boil down" to a policy decision on the Council's part whether the system could handle it and if it could not, he believed the cost per hook up was somewhat cost prohibitive.

Lewis stated he would be willing to "bend over backwards" to make the existing lot work out of respect for the long-term they have been in the City.

Berg stated he would like the Council to approve the hiring of a City Planner so he could pass this stuff onto someone else to be confident that they have done all they need to do to make this happen as it would take a lot of work.

Mundle asked if it did not make sense for this to move forward, could the applicant sell the two parcels to recoup funds. Berg responded they were owned by the applicant, but they were not contiguous parcels. Mundle noted maybe apartments were the way to go.

2.0 – Business Registry vs. Business Licensing

2.0A EB Chamber

2.0B Fire Department Concerns

2.0C Enforcement

Look stated there had been discussions in the past regarding businesses licensing. He noted the Fire Department was concerned about what companies were in the City, what they were doing, and how they were operating. He requested the Council have a discussion regarding enforcement and noted licensing would give the City enforcement rights. He noted this did not have to be a costly proposition

and it could be free to put together business licensing. He believed it was important to know what businesses were doing in the City to ensure they were up to the Fire Code and operating safely.

Mundle asked what other cities had business licensing and was this common. Look responded every City he had been with or worked with had some type of licensing, but he did not have the actual numbers with respect to particular cities. However, he believed East Bethel was in the minority in terms of not having business licensing.

Mundle stated it appeared this was a fairly common thing and it would not detract from any business. Look indicated this would also give the Fire Department and City some sort of enforcing capability.

DeRoche stated he was not opposed to registering a business, but business licensing was “big brother.”

Miller asked how would this affect home businesses. He noted many businesses were just being used as an office in their home and now the City would be saying they had to license that business. He stated he was not okay with that. Look responded for a residential home occupation type of business, that would be different than a commercial based business.

Miller asked if they were only referring to commercial based business and not home-based businesses. Mundle stated the only issue would be if a home-based business did something with potentially dangerous chemicals, so the Fire Department might need to inspect that, which would be reasonable. However, that would be the only reasoning he could see for licensing a home-based business.

Look stated it was up to the Council as to how they wanted this written. He indicated this would also be helpful when businesses moved in and out of the City so the City would at least be notified of what was happening. He noted the only way they know now if a business moved into the City was if that business joined the Chamber of Commerce. He indicated if a business did not join the Chamber, no one in the City knows they were even there.

Berg stated with respect to home occupations, all of them were required to have an IUP, so these could come before Council anyway. The City already had a list of home-based businesses, which would take them out of this scenario. He believed if the City were going to have a business registry, that would take staff time, so he recommended a small fee would be appropriate between \$5 to \$25 for a 3- or 5-year term.

Lewis stated he was struggling with not being “big brother,” but still having information to ensure safety.

Berg noted this would also help the City if there was a natural disaster to have contact information for businesses.

Lewis asked if there was a way to track this type of information through a registry. He stated with licensing that implied licenses could be revoked, which was the issue with licensing. However, with a registry, it was just information. Berg noted right now there was nothing in the Ordinance that obligated a business to do anything with the City other than meet the Zoning Code.

Look stated the City would have to come up with a new Ordinance so if someone wanted to do business in the City, they would have to be registered with the City on the City's approved form. He noted this would compile information for public safety purposes.

Lewis asked the Councilmembers if they preferred business licensing or a business registry. Mundle responded he was fine with either way as long as the focus was getting information. He suggested staff draft something for a future discussion. Lewis agreed.

3.0 – Architectural Standards

Not discussed.

4.0 – Barndominiums

Not discussed.

5.0 – Rent Control Proposal

Not discussed.

Meeting adjourned at 6:59 p.m.

Submitted by:

Kathy Altman

TimeSaver Off Site Secretarial, Inc.