

**CITY OF CRAIG
PLANNING COMMISSION**

Staff Report
December 13, 2022

Applicant: Lawrence and Brenda Demmert

Requested Action: Conditional Use Permit – B&B in a high-density Residential Zone

Location: Lot 1, USS 3857 (1411 Hamilton Drive)

Lot Size: 25,541 SF

Zoning: High Density Residential

Surrounding Uses: North: Public
West: Tidelands/Low Density Residential
South: Tidelands
East: High Density Residential

Analysis

Lawrence and Brenda Demmert have applied to the City of Craig Planning Commission for a Conditional Use Permit (CUP) to operate a Bed and Breakfast (B&B) in a high-density Residential Zone, located at 1411 Hamilton Drive (Lot 1, USS 3857). The applicant is seeking to operate the building as a short-term rental May through September.

The original intent expressed during conversation was that the converted garage would serve as the owner’s primary residence and the main building would be operated as a B&B. Brenda Demmert was informed that to operate a B&B on residentially zoned property, the building must be owner occupied with the owner present at least 75% of the time guests are present. Conversations since then have turned to utilizing the converted garage as either a long-term rental or room for visiting family. Brenda and Lawrence now intend to use the home as a primary residence while they are in Craig. The master bedroom and master bath will be occupied by the Demmerts. The other two rooms are intended to be rented out (see layout of home attached). A B&B is not required to be the owner’s primary residence in the Municipal Code (some B&B operators do not live in Craig during the off-season) but other B&B CUPs issued have required that the operation of a B&B serve as an accessory use rather than a primary use on residentially zoned property. There is abundant off-street parking available onsite.

A B&B was previously operated in this location by Henry and Damon Woudenburg. Their original application was approved in 2019. That application was originally delayed as Henry was the sole owner of the property but the building was intended to be occupied by Damon. Paperwork was completed to make Damon a partial owner to meet the owner-occupied requirement. Since that application, the detached garage has been converted into a second

residence. The police reported that they had received no complaints during the time the B&B was in operation.

Per 18.06.002 of the LDC, the following criteria shall be met before a conditional use permit may be issued:

1. That the proposal is consistent with the Craig Comprehensive Plan, the Craig Municipal Code, and other applicable ordinances.
2. That the proposed use is conditionally permitted in the zone.
3. That the proposed use is compatible with other existing or proposed uses in the area affected by the proposal.
4. That the proposed use would not create noise, odor, smoke, dust, or other objectionable pollutants creating impacts on surrounding areas.
5. That the proposed use would not affect the health and safety of persons or property.
6. That the location, size, design and operating characteristics will mitigate conflicting uses.
7. That unsightliness, building height, or structural incompatibility would not significantly affect surrounding areas or the designated viewshed.
8. That the proposal would not have a significant detrimental effect on property values in the area.
9. That all utilities required by the proposed use are adequate or will be made adequate by the applicant at no additional expense to the city and will not interfere with utility capacity to serve other areas of the city.
10. That access is adequate to serve the additional volume and type of traffic generated and would not threaten health and safety by significantly altering traffic volumes and patterns.
11. That adequate off-street parking is provided. (See Chapter 18.14, Parking.)
12. That the proposed use would not degrade land, air, water, or habitat quality.
13. That the proposed use will not interfere with the efficiency of, the planned expansion of, or access to water dependent or water related uses unless: 1) there is a documented public need for the proposed use, 2) no alternative site, and 3) the public good will be served better by the proposed use than by the water dependent or water related use.
14. That other relevant objections made evident at the public hearing are addressed.
15. That the proposed use and development do not disturb trees or shrubs which are designated for habitat or resource protection; wind, noise, sediment, or pollution buffers; recreation or open space; protection from natural hazards, watershed protection, or visual considerations unless a plan is approved which will mitigate potential adverse impacts.

Criteria 1-13 and 15 of this section appear to be met on the face of the application. The commission should discuss Criteria 14 at the public hearing on December 13, 2022.

Further conditions for a bed and breakfast are (Chapter 18.16):

1. An owner-occupied structure.
2. Three or fewer rental rooms.
3. Maximum length of stay of thirty (30) days.
4. The residential character of the neighborhood is retained.

Conditions 2-4 appear to be met on the face of the application. Condition 1 may require more discussion.

Recommendation

That the planning commission discuss the required criteria for approval at the December 13, 2022 meeting and consider adoption of Resolution 607-22-PC granting a CUP to Lawrence and Brenda Demmert to operate a Bed and Breakfast in a Residential Zone, located at 1411 Hamilton Drive (Lot 1, USS 3857), subject to the following conditions:

1. that the conditional use permit is not transferable to another individual or location;
2. that the conditional use is accessory to a principal owner residential use. The owner occupying the residence during conduct of the Bed and Breakfast must be a legally recorded owner of the property. The owner occupant must be an owner of record or purchaser of record according to the system of land title recording established pursuant to AS 44.37. The city shall retain the right to ensure that a legal owner is present for at least 75% of the days that guests are in residence;
3. that all parking for personal use and customer use will be off-street;
4. that the bed and breakfast will be limited to three rooms;
5. that all sales tax due on the operations covered by this permit must be paid within 30 days of the end of the quarter that the sales were made;
6. that this conditional use permit is voidable by the City of Craig, at its sole discretion, if the applicant is unable to meet the above conditions; and
7. the conditional use permit will be reviewed by the Planning Commission 12 months after approval to ensure compliance with these provisions.

CITY OF CRAIG
PLANNING COMMISSION
RESOLUTION 607-22-PC

GRANTING A CONDITIONAL USE PERMIT TO LAWRENCE AND BRENDA DEMMERT TO OPERATE A BED AND BREAKFAST AT 1411 HAMILTON DRIVE, LOT 1, USS 3857.

WHEREAS, the Planning Commission held a public hearing on December 13, 2022; and,

WHEREAS, public notice was given in accordance with Section 18.06.002 of the Craig Land Development Code; and,

WHEREAS, the Planning Commission finds that the specific criteria of Section 18.06.002 of the Craig Land Development Code are met as follows, subject to the conditions listed below:

1. That the proposal is consistent with the Craig Comprehensive Plan, the Craig Municipal Code, and other applicable ordinances.
2. That the proposed use is conditionally permitted in the zone.
3. That the proposed use is compatible with other existing or proposed uses in the area affected by the proposal.
4. That the proposed use would not create noise, odor, smoke, dust, or other objectionable pollutants creating impacts on surrounding areas.
5. That the proposed use would not affect the health and safety of persons or property.
6. That the location, size, design and operating characteristics will mitigate conflicting uses.
7. That unsightliness, building height, or structural incompatibility would not significantly affect surrounding areas or the designated viewshed.
8. That the proposal would not have a significant detrimental effect on property values in the area.
9. That all utilities required by the proposed use are adequate or will be made adequate by the applicant at no additional expense to the city and will not interfere with utility capacity to serve other areas of the city.
10. That access is adequate to serve the additional volume and type of traffic generated and would not threaten health and safety by significantly altering traffic volumes and patterns.
11. That adequate off-street parking is provided.
12. That the proposed use would not degrade land, air, water, or habitat quality.
13. That the proposed use will not interfere with the efficiency of, the planned expansion of, or access to water dependent or water related uses unless: 1) there is a documented public need for the proposed use, 2) no alternative site, and 3) the public good will be served better by the proposed use than by the water dependent or water related use.

14. That other relevant objections made evident at the public hearing are addressed.
15. That the proposed use and development do not disturb trees or shrubs which are designated for habitat or resource protection; wind, noise, sediment, or pollution buffers; recreation or open space; protection from natural hazards, watershed protection, or visual considerations unless a plan is approved which will mitigate potential adverse impacts.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission grants Lawrence and Brenda Demmert a conditional use permit to operate a bed and breakfast in a Residential Zone, located at 1411 Hamilton Drive (Lot 1, USS 3857), subject to the following conditions:

1. that the conditional use permit is not transferable to another individual or location;
2. that the conditional use is accessory to a principal owner residential use. The owner occupying the residence during conduct of the Bed and Breakfast must be a legally recorded owner of the property. The owner occupant must be an owner of record or purchaser of record according to the system of land title recording established pursuant to AS 44.37. The city shall retain the right to ensure that a legal owner is present for at least 75% of the days that guests are in residence;
3. that all parking for personal use and customer use will be off-street;
4. that the bed and breakfast will be limited to three rooms;
5. that all sales tax due on the operations covered by this permit must be paid within 30 days of the end of the quarter that the sales were made;
6. that this conditional use permit is voidable by the City of Craig, at its sole discretion, if the applicant is unable to meet the above conditions; and
7. the condition use permit will be reviewed by the Planning Commission 12 months after approval to ensure compliance with these provisions.

Approved this 13th day of December, 2022

Chairman Sharilyn Zellhuber

Samantha Wilson, City Planner