

**CITY OF CRAIG  
PLANNING COMMISSION**

Staff Report  
March 23, 2023

Applicant: Richard and Helen McCoy

Requested Action: Conditional Use Permit – B&B in a Low-Density Residential Zone

Location: Lot 3, HS 790, USS 2611 (1605 Hamilton Drive)

Lot Size: 23,522 SF (approx. 16,000sqft buildable land minus tideland)

Zoning: Low-Density Residential

Surrounding Uses: North: Medium-Density Residential  
West: Low-Density Residential  
South: Tidelands  
East: Low-Density Residential

**Analysis**

Richard and Helen McCoy have applied to the City of Craig Planning Commission for a Conditional Use Permit to operate a Bed and Breakfast (B&B) in a Low-Density Residential Zone, located at 1605 Hamilton Drive (Lot 3, HS 790, USS 2611). The applicant is looking to start renting out one room in the owner-occupied structure with plans to expand the home via an attached addition. Long-term plans are for the B&B to primarily be operated out of the addition. Due to the profile of the roof of the main building, the addition will have to be connected by a corridor to the main building unless significant alterations are made to the primary structure.

To be connected, such a pathway as shown must be completely enclosed and allow ingress/egress between the buildings. If the two buildings are disconnected the buildings must be at least 6' away or they no longer meet code. Disconnected buildings in a residential zone are not allowed to be operated for short-term rentals. The roofline of the existing building would have to be significantly altered to accommodate a garage/B&B without the connection.

Parking is fairly abundant on the property although egress and ingress are fairly tight due to the shape of the lot and location of the garage. The garage itself was approved for a variance with it built 1' into the setback. The garage could accommodate only a small car.

Signs advertising home occupations are only allowed on residential property so long as they are attached to the building in which the occupation will be taking place. Free-standing signs are not permitted. The applicant was informed that the sign listed in the application is not permitted as written.

Melyssa Nagamine called in and expressed concern about potential impacts on the shared private sewage line; this concern is relevant to Criteria 9. The McCoy's are on the furthest upstream end and issues at the residence from increased/improper use have the potential to affect neighbors downhill (which has precedence on this particular line). This line is a privately-owned, shared line between the McCoy residence as well as 1603 Hamilton and 1601 Hamilton as can be seen on the attached plat. Arrangements should take place with the potentially affected neighbors if increased use due to the B&B is determined to be likely to affect the line. Establishing its own lateral line to sewer as is generally recommended would likely require the installation of a private lift station.

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 1-8,10-13, and 15 of this section appear to be met on the face of the application. The commission should discuss Criteria 9 and 14 at the public hearing on March 23, 2023.

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.

These conditions appear to be met on the face of the application.

### **Recommendation**

That the planning commission discuss the required criteria for approval at the March 23, 2023 meeting and consider adoption of Resolution 611-23-PC granting a CUP to Richard and Helen McCoy to operate a Bed and Breakfast in a Low-Density Residential Zone, located at 1605 Hamilton Drive (Lot 3, HS 790, USS 2611), 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 the addition must remain connected to the primary residence to be operated as a B&B;
6. that removal of the connection between the primary building and addition may result in a non-complying structure that may require significant/costly alterations to bring the structure back into compliance or be subject to fines as outlined in the Craig Municipal code;
7. 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;
8. that one non-illuminated sign attached flat against the principal building and not exceeding three square feet in area is permitted;
9. 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;
10. the conditional use permit may be reviewed by the Planning Commission 12 months after approval to ensure compliance with these provisions.

CITY OF CRAIG  
PLANNING COMMISSION  
RESOLUTION 611-23-PC

GRANTING A CONDITIONAL USE PERMIT TO RICHARD AND HELEN MCCOY TO OPERATE A BED AND BREAKFAST AT 1605 HAMILTON DRIVE, LOT 3, HS 790, USS 2611.

WHEREAS, the Planning Commission held a public hearing on March 23, 2023; 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 Helen and Richard McCoy a conditional use permit to operate a bed and breakfast in a Low-Density Residential Zone, located at 1605 Hamilton Drive (Lot 3, HS 790, USS 2611), 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 the addition must remain connected to the primary residence to be operated as a B&B;
6. that removal of the connection between the primary building and addition may result in a non-complying structure that may require significant/costly alterations to bring the structure back into compliance or be subject to fines as outlined in the Craig Municipal code;
7. 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;
8. that one non-illuminated sign attached flat against the principal building and not exceeding three square feet in area is permitted;
9. 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;
10. the conditional use permit may be reviewed by the Planning Commission 12 months after approval to ensure compliance with these provisions.

Approved this 23<sup>th</sup> day of March, 2023

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Chairman Sharilyn Zellhuber

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Samantha Wilson, City Planner