

**Board of Adjustment Public Hearing**  
**Minutes For Wednesday, November 19<sup>th</sup>, 2025 for 1759 N Pioneer Rd CUP**

1. **Called to Order at 5:15 PM by Chair Roose.**
2. **Roll Call: Hernesmaa, Councilor Roose, Heil, Palcher, Anderson.** Staff Kochendorfer.  
**Excused: White**
3. **Additions or Deletions from Agenda**
4. **Public Hearing for the consideration of a Conditional Use Permit Application for 1759 N Pioneer Rd-**

The conditional use permit public hearing procedure was read by chair Roose.

The Public hearing notice was read by Planning and Zoning Administrator Kochendorfer

5. **The applicant, Patrick Knudson, explained the request**

Knudson explained that the plan is to build (5) new rental units over the next 5-6 years. Consideration will be made to both the current local land owners and any potential future guests. The buildings will consist of (3) bedroom, (1) bath buildings, designed for short term rental. The project will prioritize keeping the landscape as natural and undisturbed as possible. The homes will blend into the environment and natural surroundings, which will be open year-round. The resort will operate as a small, simple resort, with a common space, all while maintaining a natural environment. This opportunity will also allow for cost analysis for any future home projects that may be developed. The building of these units will also double as model homes for future home development for the working class.

The property boarder's residential homes to the west, and vacant land to the east. The vegetation will be maintained, and additional screening will be added if necessary. Traffic will remain light, as these are temporary guests, and not full-time residents. Natural beauty will be brought in and maintained on the property.

Using MN Plumbing code, the usage is well within the guidelines for the site.

The five dwellings are going to be built, along the lakeside. There may be some additional tree removal, but all required permits will be applied for through the city of Ely, and the State of Minnesota. The proper procedures for erosion control will be followed. The intent is to preserve the history of this location. Eventually, there will be a commons area, with a path to the lakeshore. The intent is to protect the land, and make it enjoyable for everyone. A lot of time and effort has been spent on the business plan and to continue to expand and make Rock Country Masonry a success.

**6. Letters received/ or phone call comments read into record**

- Ely Chamber of Commerce- Letter of Support
- Marcia Mahoney, 2201 Sibley Drive- Letter of opposition

**7. Those in support may comment**

- Joe Pioreschi, 1325 N 19<sup>th</sup> Ave E- Supports the current proposal
- Jonathan Oberg, 1468 Hwy 120- Just moved back to Ely, and finding housing was difficult, and is in support of this project.
- Andy Hill, 2111 Sibley Drive- Any negative comments or concerns should have validity before being brought forward. Development in Ely can then take a step up, and not a step back.
- Mike Nielson, 1979 Sotlich Rd- Supports the project.
- Doug Whitney, Ely Building Official- There is a need for short-term, and long-term rentals in town. Workforce housing is also needed.

**8. Those opposed may comment**

- None

**9. Comments from those who wish to provide additional information**

- None

**10. Applicant will have the opportunity to answer additional questions**

- Heidi Favet, 1648 N Pioneer Rd- Confused on the distinction of a resort, and short-term rentals, as well as providing housing. What makes it a resort versus just being short-term rentals. Would just like clarity, and also would like to know how the neighbors can stay informed on what's going on.
- Knudson explained that a "resort" is the label that's being placed on the property, but the intent will be for short-term renting of the units. It will look and feel like a resort, with a property manager on site, which will be located at the front of the property.
- Knudson explained that the business plan currently is to build these units as short-term rentals, which allow to get the project moving forward. The homes are being built as if they were to function as a home. This is the only way to figure out a fixed rate cost to build these homes. This opportunity would not exist without this type of business plan. The plan is to have affordable working-class family homes, in the future.
- Knudson explained that he is the owner of Rock Country Masonry, and he can be reached at any time, and the plan is to have open communication.

- Building Official Whitney explained that “resorts” don’t fall under the rental limitations so long as they meet the definition of a “resort”.

## **11. Closure of the hearing @ 5:45 PM**

## **12. Reading of the Finding of Facts**

Planning and Zoning Administrator Kochendorfer read the findings of the facts for 1759 N Pioneer Rd (included in the agenda packet). **Planning and Zoning Administrator recommends approval of the rezoning on the following finding of facts:**

- **Summary:** Applicant, Patrick Knudson (prospective buyer) is currently the owner of Rock Country Masonry, located in Ely, MN. The business is looking to purchase the property at 1759 N Pioneer Rd and build and develop (5) additional structures/enclosures, intended to be short-term rental dwellings. The property will be run and licensed as a resort. The existing house the property will also be a future rental. The total number of rental units will be (6).
- The dwelling units will be approximately 1,095 square feet in size. They will be available for year-round use. The resort will also offer shared community spaces, while maintaining a clean and welcoming nature-based space.

### **Shoreland Requirements**

1. The proposal is located in the Shoreland Overlay District of Miners Lake. Miners Lake, or “Mine Pit” Lake is considered a Public Waterway by Ely City code, but not by MN DNR standards. The Authority of the waterway is that of the City of Ely.

2. Miners Lake is stocked with Trout by the DNR, and because of this, it is considered a sensitive shoreland area. Resorts that are constructed in “sensitive shoreland areas” are required to complete an EAW (Environment Assessment) with the construction of (15) or more units.

3. Impervious lot coverage may not exceed 25% of total lot area.

4. Excavation permits will be required before any work may be completed.

5. The City of Ely consults with the MN DNR, and North St. Louis County Soil and Water for any Shoreland Overlay District development.

6. Total Impervious lot coverage (including the current proposal): (831,996 square feet of land) (proposed and current building coverage 13,492 square feet). Total allowed square footage (207,999).

7. The applicant has submitted plans for vegetation management, stormwater management, and erosion and sediment control.

8. Units will be set-back at least 100 feet from the shoreline of Miners Lake. The required set-back is 75 feet.

### **DNR Requirements/Feedback**

1. The MN DNR does not have regulatory jurisdiction on Miners Lake, as it is only considered a “Public Water” through Ely City Ordinance. Miners Lake is stocked with Trout, which managed under the authority of the DNR Fisheries.

2. The DNR was still made aware of this proposal. No feedback has been received at the time of this report.

### **North St. Louis County Soil & Water District Feedback**

1. No feedback has been received at the time of this report.

### **EAW Requirements**

1. The City of Ely is not requiring an EAW due to the threshold of development not exceeding (15) units, as required by MN Statute 4410.4300

### **Planned Unit Development**

1. The Planned Unit Development authority around Miners Lake (Mine Pit Lake) are that of the City of Ely. Miners Lake is not classified under the DNR Shoreland classifications for Public Water Basins list, and therefore is governed by Ely City Code 12.05 Subd. (8) (C)(5). The following requirements will be followed:

- Licensing provisions and procedures
- Waste treatment and disposal regulation
- Water supply regulations
- Building Codes
- Safety regulations
- Regulations concerning the appropriation and use of public waters as defined in MN Statute 1976, Chapter 105 (Not applicable)
- Applicable regulations of the MN Environmental Quality Council

### **Infrastructure/Land**

1. The applicant submitted a utility capacity and usage form. For sewer and water, the usage falls well within usage limits established for the area. The applicant plans to replace and upgrade utilities within the property boundaries. No improvements or upgrades are needed in relation to the utilities located in the public ROW.

2. Electrical utilities are already located on the property.
3. The current/existing driveway access will be used and maintained for property access.
4. Total property square footage: 831,996 Square feet or 19.1 acres
5. Each unit 1,095 square feet

- **FACT: That the conditional use permit will not be injurious to the use and enjoyment of the environment and other property in the immediate vicinity, nor substantially diminish and impair the property values within the surrounding neighborhood:**

- FINDING: The intended use of the property as a resort will not substantially diminish or impair property values in the neighborhood. The intention is to maintain the property to standards of the city code. The property is located adjacent to residential housing to the west and north, with undeveloped lands to the east and south. A majority of the land to the south and east is owned by the City of Ely.
- The rental units will be built to residential building standards, and conform Ely City code, minimum building requirements. The units will be set back from the roadway, and will not be seen from the public roadway.
- The increased traffic volume will be minimum

- **FACT: That the proposed development will not increase local or State expenditures in relation to costs of servicing or maintaining neighboring properties**

- FINDING: There will be no state or local money spent on this project, and all costs associated with the proposal will be provided by the prospective buyer/applicant. Maintenance of the property will be solely on the property owner. The property will provide taxable income to the area.

- A. FACT: That the establishment of the conditional use permit will not impede the normal and orderly development and improvement of surrounding property for uses predominant in the area; and**

- FINDING: The property is located in the Shoreland Mixed Use (SMU) Zoning district. This allows for mixed uses of residential

and light commercial development. Resorts are allowed by conditional use permit only in this zoning district.

- Currently, the property is mostly sitting vacant, with old infrastructure from past uses. The property was previously a campground, sawmill, and a greenhouse operated on the property. A conditional use permit still exists for the property to allow for up to (16) camping and RV sites.
- **FACT: That the location and character of the proposed development are considered to be consistent with a desirable pattern of development for the locality in general**
    - FINDING: The general development of the area along Pioneer Road is mixed between commercial, public and residential properties, and changes with the needs of the community. There continues to be a need for short and long-term rental units in Ely. There are currently (2) other short-term licensed rental properties along the Pioneer Rd corridor.

Kochendorfer further explained, that after clarification, it was determined that the previous conditional use permit conditions were not fully followed, as the RV Park has not been in operation for over a year, as well as any construction or further planning has not continued for over (1 year). Kochendorfer recommends the commission to revoke the current CUP (Conditional Use Permit), as a condition for this CUP.

Hernesmaa inquired if the RV Park would still be part of the permit. Roose explained that Kochendorfer mentioned that a condition upon approving the new CUP would have to revoke the previous CUP.

Kochendorfer further explained that the Conditional Use Permit issued by city council on September 7<sup>th</sup>, 2021, has language that the permit will be revoked in the event that any proposed construction, alteration, or operation has not been started within one year. Currently, these conditions have not been met.

There was a question as to where the driveway access crosses property outside of the owned property boundary on the northeast corner of the lot. Kochendorfer explained that this would not affect the proposal and would be up to the property owner to figure out. Any changes in driveway access are handled through an administrative permit with city hall staff, if necessary.

Roose mentioned she would be abstaining from voting on this matter.

**13. Decision rendered by the Planning Commission**

**Motion Anderson to accept the conditional use permit to allow for the property to be used as a “resort”, with (5) additional cottages/enclosures (6) total, for short term rental, and to revoke the previous conditional use permit dated September 7<sup>th</sup>, 2021 allowing the property be used as an RV Park/ second Palcher. Roll call vote: Hernesmaa- Yes, Roose- abstain, Heil- Yes, Palcher- Yes, Anderson- Yes. Motion carried 4-0-1.**

**14. Adjournment at 6:01 PM**