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Number of resorts falls

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RICHMOND — Riverside Resort has operated on the Horseshoe Chain of Lakes for more than 80 years, and owner Jim DeRose hopes it keeps going for another 80.

His children have fond memories of growing up on the resort, and two have expressed interest in taking it over someday. DeRose compares the lifestyle to farming — lots of time spent together as a family, working hard and also having fun.

"Because of the history, I'd hate to see it not as a resort," he said.

But the DeRoses would have to beat the odds. Resorts used to ring Stearns County's lakes much the way dairy farms dotted the fields. They helped boost the economies of nearby small towns and provided water access to many people who didn't own waterfront property.

Statewide, growing demand for lakeshore homes drove up the property values of those resorts. As a result, many were divided up and sold as individual cabins. Only about 25 resorts are still operating in Stearns County.

Now Stearns is among the first counties in the state to change the rules governing resorts, trying to preserve them and protect the environment at the same time. The new ordinance may become a model for the rest of the state struggling with a changing industry and heightened concerns about water quality.

"Quite frankly, I think they're watching what Stearns County's doing," said Paul Bugbee, owner of Bug-Bee Hive Resort near Paynesville.

"I think we have to be realistic. We want to preserve the lakes, but we want to make sure we have resorts and access to the lake for the public."

Changing landscape

The precarious status of small resorts is a worry for the industry as well as state and county officials. The number of resorts in Minnesota fell from 1,378 in 1985 to 1,122 in 2000, according to Explore Minnesota, the state's tourism office.

Ninety-five percent of resorts are "ma-and-pa" operations with an average of 10 cottages, said Bugbee, who is president-elect of the Minnesota Resort & Campground Association. The income



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Bug-Bee Hive Resort owner Paul Bugbee rakes the leaves around one of the resort's cabins Monday.

they generate can't compete with the skyrocketing value of their lakefront property, he said.

"I maintain there's not a resort in Minnesota whose business value even comes close to their property value," Bugbee said.

As resort owners age and look to retire, they increasingly are selling their resorts for development. Annually, Minnesota loses about 8 percent of its resorts, which Bugbee called "disastrous" for the state's economy.

It's also a setback for area communities that benefit from vacationers who stay at resorts and spend money locally on gas, groceries and dining out, DeRose said.

"We're trying to maintain what we have now, and I think it's for the good of the small towns," he said.

Finding balance

Many resorts were built in the 1950s before the state and counties began regulating shore land development. They don't meet current rules that limit how many units can be squeezed onto one piece of property or how far cabins must be built from the water's edge.

Stearns County began considering a change to its resort rules more than a year ago. Officials were concerned about the two or three resorts every year that were converted to private ownership, said Angie Berg, county land use supervisor.

Under existing rules, a resort can keep the same number of units after it was converted even if it already has more than the allowed number. That drew complaints from neighboring residents and lake associations worried about the effect of so many more year-round residents on lake water quality.

In June 2006, the Stearns County board adopted a moratorium on resort conversions and formed a committee to draft new rules. After more than a year of meetings, the county board is expected on Tuesday to adopt the new rules.

The proposed ordinance borrows heavily from the state Department of Natural Resources' alternative shore land standards, a pilot project developed in 2004-05 in five north-central counties and designed to be a statewide model.

Stearns County's proposed ordinance requires resorts that convert to private ownership to meet the same limits on the number of units as any residential development. That was one of the controversial parts of the committee's recommendations, said Bugbee, one of its members. "That, in most cases, will require resorts to remove cottages," he said.

However, the ordinance also allows for so-called common-interest communities, which allow people to buy interest or shares in the development, Berg said. As an example, the committee used Kavanaugh's Resort near Brainerd, which recently became a common-interest community.

For resorts that choose that route, the new rules offer benefits, including allowing more units. But there are requirements as well. The resorts must buffer the shoreline, limit the amount of the property

they cover and centralize their docks.

The goal is "to keep resorts," Berg said, but also allow alternate forms of ownership to help them stay in operation.

The proposed ordinance also allows existing resorts to replace units or even increase their density if they take steps to protect water quality, such as adding a buffer of trees and plants along the lakeshore.

"We're trying to be more flexible for the resorts who just want to replace a cabin or add a cabin," Berg said.

One issue remains unresolved: how much of the lakefront a resort can cover with beach, docks, boat ramps and other structures.

While DNR officials have been pushing for 80 percent of the lakeshore to remain in its natural state, resort owners say that's too restrictive.

"We all are concerned with water quality and preserving that," said DeRose, who also served on the committee. "Everybody should be, but especially us making a living off it."

But he added, "There's got to be a balance."

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