

AGENDA
CITY OF STURGEON BAY
PLAN COMMISSION
Wednesday, November 18, 2020
6:00 p.m.
City Council Chambers
421 Michigan Street, Sturgeon Bay, WI

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from October 21, 2020.
4. Approval of minutes from October 28, 2020.
5. Public comment on non-agenda Plan Commission related items.
6. Consideration of: West Waterfront redevelopment proposals.
7. Consideration of: Tourist Rooming Houses.
8. Adjourn.

NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR.

Notice is hereby given that a majority of the Common Council may be present at this meeting to gather information about a subject over which they have decision-making responsibility. If a quorum of the Common Council does attend, this may constitute a meeting of the Common Council and is noticed as such, although the Common Council will not take any formal action at this meeting.

Plan Commission Members

Mayor David Ward
Ald. Kirsten Reeths
Helen Bacon
Jeff Norland
Mark Holey
Dennis Statz
Debbie Kiedrowski

11/13/20
2:30 p.m.
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CITY PLAN COMMISSION
Wednesday, October 21, 2020

A meeting of the City Plan Commission was called to order at 6:00 p.m. by Chairperson David Ward in the Council Chambers, City Hall, 421 Michigan Street.

Roll Call: Members Helen Bacon, Debbie Kiedrowski, Jeff Norland, David Ward, Dennis Statz, Mark Holey, and Kirsten Reeths were present. Also present were Alderpersons Gary Nault and Spencer Gustafson, City Administrator Josh VanLieshout, Community Development Director Marty Olejniczak, Planner/Zoning Administrator Chris Sullivan-Robinson, and Community Development Secretary Cheryl Nault.

Adoption of agenda: Moved by Mr. Statz, seconded by Mr. Norland to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of Joint Council & Plan Commission meeting minutes from October 6, 2020.
4. Approval of Plan Commission minutes from October 6, 2020.
5. Public comment on non-agenda Plan Commission related items.
6. Request from Fincantieri Bay Shipbuilding to rezone various parcels along Third Avenue (parcel #281-10-85340109B; #281-10-85371001R; #281-10-35371301R; #281-10-85371401; and #281-10-85360101C) from Central Business District (C-2) to Heavy Industrial (I-2):
 - a. Presentation
 - b. Public Hearing
 - c. Consideration of
7. Consideration of: West Waterfront redevelopment proposals.
8. Conceptual Planned Unit Development (PUD) for West Waterfront redevelopment area, located on the north side of E. Maple Street.
9. Consideration of: Sunset School redevelopment proposals.
10. Conceptual Planned Unit Development (PUD) for Sunset School property, including the school's parking area across Erie Street.
11. Consideration of: Zoning text amendment in C-5 district regarding mixed-use buildings.
12. Adjourn.

All ayes. Carried.

Approval of Joint Council & Plan Commission minutes from October 6, 2020: Moved by Ms. Reeths, seconded by Ms. Kiedrowski to approve the Joint Council & Plan Commission minutes from October 6, 2020. All ayes. Carried.

Approval of Plan Commission minutes from October 6, 2020: Moved by Mr. Holey, seconded by Ms. Kiedrowski to approve the Plan Commission minutes from October 6, 2020. All ayes. Carried.

Public comment on non-agenda Plan Commission related items: No one spoke during public comment.

Request from Fincantieri Bay Shipbuilding to rezone various parcels along Third Avenue (parcel #'s 281-10-85340109B; 281-10-85371001R; 281-10-35371301R; 281-10-85371401; and 281-10-85360101C) from Central Business District (C-2) to Heavy Industrial (I-2):

Presentation: Mr. Olejniczak stated that the initial presentation was held at the last meeting. The rezoning involves properties along N. 3rd Avenue that are not already zoned heavy industrial (I-2). Those properties are currently zoned central business district (C-2). Since Fincantieri's last presentation they have scaled back the area to be rezoned and have decided to keep the train depot and Red Oak Winery building as C-2. After the public hearing is held, a ¾ vote would be needed to act on this request at this meeting.

Todd Thayse, Vice-President and General Manager of Fincantieri Bay Shipbuilding, stated that they felt it made sense to rezone the other properties and clean up the corner. They have acquired the Palmer Johnson properties,

the train depot and Red Oak Winery buildings. The train depot and winery buildings are likely to become office space for those that will oversee the programs they are building.

Ms. Bacon asked if the Red Oak Winery building can be painted. Mr. Thayse responded upgrading the exterior of the building is part of the plan. She mentioned that it is a historic corner, with the existing Waves hair salon, as it used to be a bus depot, and many people had concerns.

Mr. Thayse stated that there is no plan to tear down the train depot. If they found that they had no use for it, then it would be offered to any organization that would want it.

Ms. Kiedrowski touched back on what had been previously stated regarding views, in particular the people across the street. She asked if Fincantieri is committed to a beautification plan and wondered what was going to happen with the gravel pile. Mr. Thayse responded that the gravel pile will be moved into the yard before winter and used for fill. He said that he had walked the street with neighbors getting ideas for the beautification plan. The parking lots will be blacktopped.

Mr. Statz noticed that the map shown on the screen was different compared to the map in the agenda packet. Mr. Olejniczak explained that the map on the screen was accurate. Fincantieri still wanted the setback for the new addition on the building to be industrial. The new line will be far enough easterly of building 422 to accommodate their 14-foot lean-to addition and the normal setback for industrial.

Mr. Thayse added that a door will be installed on the north side of the existing building for access and egress.

Mr. Holey stated that interpretation should be included on what is going on with the beautification. They could maybe even link up with the Maritime Museum. It could be made an interesting walk on 3rd Avenue instead of just a pretty one. Mr. Thayse agreed and mentioned that a few years ago they excavated the Adriatic shipwreck in Berth One. They kept some of the pieces that they thought could be displayed. Destination Sturgeon Bay has a rendition of an idea of what could happen on 3rd Avenue in regard to a 1000 foot walk, with some type of signage added.

Mr. Thayse added that the addition to building 422 is one story, 14 feet wide, and approximately 20 feet high. It is about 2/3 the length of the existing building. The existing building is 57 feet high. The addition would not block anyone's view.

Mayor Ward mentioned that there is a 2021 budget line item for the beautification plan. It was suggested to hire a professional planner to coordinate the beautification plan. That would produce a more neutral person being involved, and Mr. Thayse was agreeable to that.

Public Hearing: Mayor Ward opened the public hearing at 6:28 p.m.

Hans Christian, 330 N. 3rd Avenue, gave a presentation that contained photos with examples of shipyards in other areas. Fincantieri is short on buffer areas. He, as well as others, own a historic building on 3rd Avenue and a lot of money has been put into them. The City should protect them. He referenced the Comprehensive Plan. The working waterfront is an important part of the City. The train depot should be made into a destination. He referred to the noise issue and thought a sound/environmental consultant should be hired to suggest remedies to minimize the noise.

Paul Anschutz, 221 N. 6th Avenue, said the City should be looking at a way to buffer the noise. He presented the idea of constructing a wall to buffer the noise.

Phil Rockwell, 368 N 3rd Avenue, expressed concern of the sand and silica dust in his yard from the shipyard. The parking lot doesn't need to be rezoned. When something is needed, they can ask for it.

Lynn Gilchrist, 361 N 6th Avenue, likes the idea of taking time and look into all things that were brought up. She would like to see renderings of the buildings. Professionals should be hired to do research for aesthetics, noise levels, and emissions into the air.

Spencer Gustafson, 445 S. Grant Avenue and District 4 alderperson, said he does a lot of social media. There is a concern with noise and dust. There should be more communication between the shipyard and the public.

Kelly Catarozoli, 344 N 4th Avenue, stated that she bought property across from C-2 zoning. It needs to remain C-2. The shipyard should move their buildings around and use space that exists.

Ms. Nault read ten letters in favor of the rezoning from:

Jamie Alberts, Nicolet National Bank
Chris Woleske, Bellin Health
John Asher, Roen Salvage Company
Steve Estes, Advanced Disposal
Travis Martin, Bay Engineering
Nancy Bertz, Stone Harbor
Trevor Hasenjager, Sturgeon Bay Business Community
Amy Austad LaBott, Door County Ace Hardware
Jon Hanson, owner of various Sturgeon Bay businesses
David Gombos, ABS

Two letters were read in opposition from:

Liz Orlock, (no address given)
Erin Tauscher, 233 N 3rd Avenue

One letter was read that was not for or against from Shirley Weese Young, business owner on 3rd Avenue.

The public hearing was declared closed at 7:26 p.m.

Consideration of: Mr. Norland summarized the testimony as to what the concerns were, including visibility, noise, dust, etc. The shipyard has been there many, many years. These issues have to be somehow mitigated. He questioned what the long-term plan was for the property by rezoning it to I-2. Mr. Thayse responded that there is no plan to put a building on the parking lot. The 3rd Avenue corridor is in the beautification plan.

Mr. Olejniczak listed parking setbacks as five feet from the right-of-way. The setback for buildings in the I-2 district is 50 feet from the right-of-way of 3rd Avenue, and 15 feet from the right-of-way in the C-2 district.

Ms. Kiedrowski stated that in the past, Fincantieri has been a very good neighbor to the community by offering good paying jobs, giving contributions, donations, etc. But, they are not a good neighbor to their neighbors. There needs to be a commitment to a high quality landscape designer that could mitigate a lot of the concerns.

Ms. Bacon questioned the zoning district boundary compared to property lines. Mr. Sullivan-Robinson responded that zoning boundaries are completely different than property lines. Changing the zoning line does not affect the property line.

Ms. Bacon stated that she is very aware of the dust, etc. Sandblasting will be contained in the future. That would be the same as painting. Some of these issues keep coming up, but will be resolved with the new construction. It has a tendency to get confrontational instead of informational. Maybe sharing information in more of a conversational way things could move forward. We need to listen to each other and come up with some solutions.

Mr. Holey said that he is not convinced if the Commission should act on this zoning request at this meeting. He wants Fincantieri to be competitive and continue to get business and be a benefit to the City. The City has done a lot to allow that to happen. A parking lot is allowed in C-2 and I-2. He referred to the access behind the train depot in which the border could go straight north and everything to the west that allows access to that building may be rezoned, with everything to the east remaining C-2. If zoned I-2, there would be less review in the future as to what is being done there.

Ms. Reeths stated that Sturgeon Bay is no different than any other place that has these issues. Fincantieri fits into the past and current comprehensive plan. The train depot could be used as a public place for artifacts displayed outdoors for beautification or used as a training area for the public to learn about the 1,000-footers and others that have been built in the past. That could be the center of the beautification plan. With the Navy contract, this is a great thing for Sturgeon Bay for employment.

Ms. Reeths offered to make a motion to approve the rezoning with the conditions of submitting a planned drawing of the plans, a noise study with a solution, and a public beautification detailed plan and design.

Mayor Ward explained that the Commission was not at the point of making a motion.

Mr. Statz said he would not vote on this at this meeting. He would love to see the train depot kept where it is. There isn't a need to rezone all the parcels requested. He would like to see a plan in place. The shipyard can't be moved and a 4-lane highway can't be built as a buffer. He would not like to see Bay Ship buying homes across the street as a buffer and making a parking lot or used for employee housing. Can sandblasting be done off site? The dirt pile needs to be addressed.

Mayor Ward stated that since there will not be a ¾ vote to act on this rezoning at this meeting, he scheduled a special meeting of the Plan Commission for Wednesday, October 28th at 7:00 p.m. It can be explored with Bay Ship for a lesser footprint. The immediate need is to build a lean-to addition on the building and to add a door that faces north. Bay Ship is committed to a beautification plan, as is the City. The gravel and snow pile will go away and a parking lot will be made. Sandblasting will be done inside. They must follow environmental regulations to give an assurance. Building a barrier like on an interstate highway for noise is not the answer, as it would obstruct the view.

Mr. Holey thought that a summary of the regulations they need to follow would be very useful to learn about.

Ms. Bacon added alternatives to snow removal should be added to the list.

Consideration of the rezoning request will be held during a special Plan Commission meeting next week Wednesday at 7:00 p.m.

Consideration of: West Waterfront redevelopment proposals: Mr. Olejniczak stated that a new redevelopment plan was developed by the West Waterfront Ad Hoc Committee for the area between the Michigan Street Bridge and Oregon Street Bridge. A public promenade is now under construction. Request for proposals had been sent out and three proposals were received. All the proposals were multifamily housing. He gave a summary of the proposals.

FIT Investment Group / Cinnaire Solutions / Engberg Anderson Architects proposed a plan for 41 units. It also included two retail areas for a total of 3700 square feet. Thirty-seven units would be affordable housing, using WHEDA tax credits. That is how the proposal for the West Side School/West Side Field project was going to be funded. The other 4 units would be market rate. They needed \$350,000 of City support, which would create a building value of approximately \$1.67 million. The assessed value is based on income approach. Construction would begin in January, 2022 and be completed the end of 2022. WHEDA tax credits are a competitive process and there are no guarantees that those get approved.

Northpointe Development Corp., who is the group that wanted to redevelop the West Side School / West Side Field, proposed 40-unit multifamily housing, with no commercial space. This would include 21 affordable units at 80% of the county median income level and 19 units at market value. They need approximately \$740,000 of TIF support. This would also involve the use of the county's \$1.4 million in CBDG funds. The building value is \$3.8 million. The construction schedule would begin April, 2021 and be completed by June, 2022.

T.Wall Enterprises included 78 units, with underground parking and no commercial space. The units would be 10% market rate. There would be a mix of one, two, and three bedroom units. They ask for \$2.5 million in support. The assessed value is projected at \$10.3 million. They asked for an 18 month contingency period to make sure

everything is going to work out. Prior to the RFP, the City had tried to work out a development agreement with T. Wall on the options and had gone to the Finance Committee and was not able to work out a deal.

Mr. Olejniczak was looking for what the Commission's feelings were regarding site design and use standpoint, how well it fits the plan, if it is a doable project, and the financial aspects.

Mayor Ward declared a recess at 8:04 p.m. and convened at 8:14 p.m.

Mayor Ward mentioned that these proposals don't include the entire property available. This would include parcel 92. The other smaller site is parcel 100. This is a TIF district.

Mr. Olejniczak explained that a planned unit development (PUD) is a special zoning that is used for special projects that don't neatly fit into a regular zoning district. All three of the proposals would need to be rezoned.

Mr. Norland stated that he really liked the T. Wall proposal. The question is what makes the most financial sense? Mr. Olejniczak responded that Baird, the City's financial consultant, produced proformas as to how the developments would help or hurt the tax increment district.

Ms. Kiedrowski agreed with Mr. Norland and favored T. Wall. Northpointe would be her second choice.

Ms. Bacon said the site could handle a high-end building. She likes the underground parking, but with retail space. It would be nice if some of the ideas could be combined.

Mr. Holey likes the layout of T. Wall. He said he could go either way with T. Wall or Northpointe. Maybe there could be a maritime theme added.

Ms. Reeths questioned the two parcels and what is actually available for development on parcel 100. Mr. Olejniczak responded that there is 6000 square feet of developable property. There are a lot of easements located on parcel 100. He was concerned with T. Wall fitting in 78 units on parcel 92. Some of the property will be leased to the Historical Society for the grain elevator project. Ms. Reeths wondered if the City would get a tax base from the grain elevator based off the use of the building. Mr. Van Lieshout said it is possible under the statute that they could be subject to real estate tax and personal property tax, etc. In this case, the guiding documents would be the City's development agreement, as well as the sublease. They could be subject to tax, depending on the determination of the City Assessor.

Ms. Reeths added that this is our last buildable piece of waterfront property. The Ad Hoc Committee spent a lot of time on a redevelopment plan. It needs to be high-end, with retail and a restaurant. She liked Northpointe and T. Wall, with the underground parking.

Mr. Statz would like to see a more upscale development. Northpointe does not scream high-end to him.

Mayor Ward didn't think the Village @ West Waterfront (FIT) wouldn't produce enough taxable value. He emphasized that the other parcel is still available for development. The City currently has a lot of empty storefronts. The problem with Northpointe is the design. Their time schedule is better than others. They were easy to work with.

Gary Nault, 711 Hickory Street and District 5 Alderperson, stated that he received a lengthy call from a constituent with concerns that was aware of the original plans for the West Waterfront and did not think the waterfront was the place for affordable housing. The original plans included a hotel, retail, and a restaurant.

After discussion, it was the consensus of the Commission to eliminate FIT.

Members wondered if the 18 month contingency period could be renegotiated with T. Wall.

It was suggested to ask Northpointe if they could submit a more upscale design, what their finishes would be, and if they would consider expanding the project by going up to 50 units to increase the value. Another item would be to find out if they could have all market rate units, as well as adding commercial.

Mr. Olejniczak will contact the developers with the questions that arose from the members.

Since FIT was eliminated, item #8 was removed.

Consideration of: Sunset School redevelopment proposals: Mr. Olejniczak stated that three proposals were received for the Sunset School redevelopment. The school district is planning on closing Sunset School after this school year and market the site for redevelopment of some type of housing. The zoning is R-4 multifamily. The school district and the City worked together in creating a request for proposals. The three proposals received include:

Doreen Phillips from Maritime Heights, who is the developer for the apartments across Erie Street from the school. She proposed 32 – 50 apartment units. It would be the same design as she is building now, with detached garages and 2 – 3 bedroom units. That project would generate about \$3.5 - \$4 million in value depending on the number of units. In terms of assistance, she would pay \$10,000 for the land, but would like \$30,000 in property tax rebates from the City payable in two years after construction. Rents would be \$795 for a two bedroom and \$995 for a three bedroom.

SC Swiderski, the apartment developer who constructed the apartments off of Grant Avenue, proposed 23 - 28 units, with a mix of 1, 2, or 3 bedrooms. Rents would range from \$845 to \$1,145 per month. This is a townhome design with attached garages. They would pay \$1 for the land and would like the City or school district to demolish the building. They also would like \$200,000 in City assistance payable with \$50,000 after completion of each of the four buildings proposed. This would be \$3 million in taxable value.

Horizon, who is a WEHDA tax credit developer, proposed 48 unit apartments, with 6 market rate apartments and 42 WHEDA tax credit units. There would be 3 – 16 unit buildings, with some covered parking. Their rents would range from \$335 to \$1,150. They would pay \$240,000 for the property, but would also like the school to demo the building. Also, \$478,000 in tax increment financing assistance is requested. Their project would generate \$1.5 million in value.

Ms. Bacon stated that Maritime Heights still is not done with their current project. It is not the most attractive development. She likes the SCS proposal. She would like the development to look good from 8th Avenue. People in the neighborhood would like more upscale.

All members agreed that SCS was most appealing, although more could be done for the exterior design.

Mayor Ward stated that it would cost approximately \$190,000 to demo the building and clear the site.

Spencer Gustafson, District 4 Alderperson, stated that he lives in a Swiderski apartment and it is high quality, but they have gone through six managers in two years. It took a long time to complete the landscaping.

Mr. Olejniczak stated that a meeting will have to take place with the school district, since they are the building and land owner.

Mr. Van Lieshout said there could be a TIF district created. There still is a need for a workforce spectrum. This would be a joint decision that will be made.

Ms. Reeths didn't think that \$1 for the land was not suitable. Mr. Olejniczak added that there can be counteroffers.

No formal recommendation was needed.

Conceptual Planned Unit Development (PUD) for Sunset School property, including the school's parking

area across Erie Street: Mr. Olejniczak stated that the property is already zoned multifamily. Any project that is 25 units or more has to be done through a planned unit development under the City's code. The first step is a conceptual PUD and no actions are taken. It allows for an overview of the project and for Plan Commission members to provide feedback.

Mr. Olejniczak went over the Concept PUD parameters. He gave a description of the land, which is the school District's property, as well as the parking lot, which totals 3.57 acres. He also spoke about the proposed land uses, density height & area requirements, and parking. He added that with the SCS proposal, it would not need an increase in density, but it could increase the setback from the rear property line.

Mayor Ward believed that a higher-end development is needed for a balance. He would agree with a 25-foot setback.

Mr. Statz agreed with having a higher-end development, as well as a 25-foot setback. He also like the garages.

Mr. Norland said that it is nice having the garages facing inside, but when you look at the back of the garages from 8th Avenue, there is one flat wall. Mr. Olejniczak responded that the Commission could insist on changing the way the garage faces.

Mr. Sullivan-Robinson reminded members that the proposal will also be reviewed by the Aesthetic Design & Site Plan Review Board.

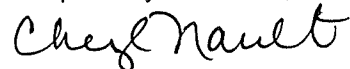
No action was needed.

Consideration of: Zoning text amendment in C-5 district regarding mixed-use buildings: Mr. Sullivan-Robinson stated that in August staff brought to the Commission a potential code amendment for the C-5 district. There was conflict on how the City allowed a mixed-use building. A code text amendment was proposed to remove the restrictions that limit home occupations within an area that allows commercial uses and to remove the restrictions that limit residential uses to 50% of the floor area of a mixed-use building.

A short discussion was held. Moved by Mr. Holey, seconded by Ms. Reeths to recommend to Council the zoning text amendment for the C-5 district regarding mixed-use buildings. All ayes. Carried.

Adjourn: Moved by Mr. Statz, seconded by Mr. Norland to adjourn. All ayes. Carried. Meeting adjourned at 9:42 p.m.

Respectfully Submitted,



Cheryl Nault
Community Development Secretary

CITY PLAN COMMISSION
Wednesday, October 28, 2020

A meeting of the City Plan Commission was called to order at 7:00 p.m. by Chairperson David Ward in the Council Chambers, City Hall, 421 Michigan Street.

Roll Call: Members Helen Bacon, Debbie Kiedrowski, Jeff Norland, David Ward, Dennis Statz, Mark Holey, and Kirsten Reeths were present. Also present were Alderpersons Gary Nault, Dan Williams, and Spencer Gustafson, City Administrator Josh VanLieshout, Community Development Director Marty Olejniczak, Planner/Zoning Administrator Chris Sullivan-Robinson, and Community Development Secretary Cheryl Nault.

Adoption of agenda: Moved by Mr. Holey, seconded by Mr. Norland to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Public comment on non-agenda Plan Commission related items.
4. Consideration of: Request from Fincantieri Bay Shipbuilding to rezone various parcels along Third Avenue (parcel #281-10-85340109B; #281-10-85371001R; #281-10-35371301R; #281-10-85371401; and #281-10-85360101C) from Central Business District (C-2) to Heavy Industrial (I-2)
5. Consideration of: West Waterfront redevelopment proposals.
6. Consideration of: Sunset School redevelopment proposals.
7. Adjourn.

All ayes. Carried.

Public comment on non-agenda Plan Commission related items: Hans Christian, 330 N. 3rd Avenue, stated that he had issues with the structure of the agenda. The minutes were not included from the last meeting; the updated map from Fincantieri was not included; and when staff endorses an idea, all parties involved should be contacted.

Request from Fincantieri Bay Shipbuilding to rezone various parcels along Third Avenue (parcel #'s 281-10-85340109B; 281-10-85371001R; 281-10-35371301R; 281-10-85371401; and 281-10-85360101C) from Central Business District (C-2) to Heavy Industrial (I-2): Todd Thayse, Vice-President and General Manager of Fincantieri Bay Shipbuilding, introduced his team. Present were Facilities Engineer Peter Glassen; Assistant Manager Ryan Hoernke; Jason Gerke, Graef Engineering; Kurt Wolfgram, Miron Construction; and In-House Counsel Stephanie Propsom.

Mr. Hoernke narrated a presentation of Fincantieri's overall plans for improvements in the south yard. He explained the proposed new buildings and additions, what the building uses were, and went over their request for rezoning to I-2, which has been scaled back from the original rezoning petition.

Since the last meeting, they have decided to have the Red Oak Winery building (#325 N Third Avenue) and the Train Depot (#341 N Third Avenue) remain within the C-2 district. They also have modified their request to leave the easterly portion of the parking lot north of the Train Depot within the C-2 district. Hence, the modified rezoning request includes a sliver of land at the rear of the former Red Oak Winery lot, the land behind the Train Depot, and the westerly half of the parking lot.

Mr. Hoernke stated that Miron Construction is currently using space in the 325 N Third Avenue building for temporary offices during the construction period. In the long term, there will be Navy individuals and Lockheed Martin staff overseeing the operation and inspecting their work that will be occupying the building. There is a potential for turning the Train Depot into a conference center and to design it recognizing some of the historical aspects of the shipyard operations, with artifacts and pictures. With these buildings being on 3rd Avenue, they fall as part of the beautification plan proposed for this area.

Mr. Hoernke stated that they want to be transparent, a good neighbor, and a good corporate citizen. They want to be sure to listen and address concerns. Some of the concerns they have heard were building uses, noise, dust,

gravel pile, and outdoor operations. Regarding the noise, all module blasting activities will be moved inside building 422.

Mr. Gerke showed a sample of the wall system for the south wall on building 420. It is a very thick panel with insulation. The sound transfer (STC) rating is in the low 30's. Residential homes have a rating in the low 20's.

Mr. Hoernke discussed the dust issue. He pointed out all the recently paved areas in the yard. The south yard will be paved after the new construction, additions, and modifications are complete. They have purchased a street sweeper to clean up the paved surfaces and reduce dust. He also stated that the gravel pile that is currently on area proposed to be rezoned will be removed and used for fill for the new construction. The parking lot will be paved.

Mr. Statz wondered what the reason was to rezone the parking lot to I-2. Mr. Thayse responded that after speaking with the City, it was thought that it would be best to get it cleaned up on the north side because they would be coming in and out of there with sections. Another reason was in case something had to be parked there overnight. Mr. Statz would also like to see a buffer of 8 – 10 feet along 3rd Avenue. Lastly, he said there are tax credits available for restoration of the Train Depot.

Ms. Bacon wondered what type of fencing would be used. Mr. Thayse responded it would be a chainlink fence to match what is there now.

The Mayor announced that the Commission would take comments from the public.

Christie Weber, 311 Pennsylvania St., stated that she is the president of the Sturgeon Bay Historical Society. She felt that the buildings can be moved closer together since all the work will be done inside. The garage doors should be made of the same material as the siding. She was concerned with the Train Depot becoming an island surrounded by industrial and stated that the Train Depot cannot be moved.

Beth Renstrom, 34 Bluebird Dr., stated that she lives north of the shipyard. Rezoning would lower the shipyard's taxes. She loves the shipyard, but wants to see the local government and elected officials do what is best for the citizens. The streets and sidewalks around the shipyard are in horrible disrepair from the industry and would like to see Fincantieri invest in and maintain those areas around their property.

Hans Christian, 330 N 3rd Avenue, said it was a great presentation, but didn't address the noise. He played a recording from the noise from building 311. The noise is so loud that the whole neighborhood could become inhabitable. The beautification plan will not help the noise. There is only one contract. There are no guarantees that Fincantieri will get contracts for future ships. He felt all of the parking lot should remain C-2, as well as the area behind the Train Depot.

Kelly Catarozoli, 344 N 3rd Avenue, stated that no one has addressed how often the large doors will be open and the noise. There probably aren't that many employees that actually live and are taxpayers in Sturgeon Bay. Yet, the taxpayers have to pay for the roads that are damaged from their trucks. Fincantieri should donate that Train Depot to the City as a public interpretive center, with an endowment fund for its maintenance. The Train Depot and the far north lot should remain as C-2. Zoning codes are meant to protect everyone.

Phil Rockwell, 368 N 3rd Avenue, stated that he lives across from the dirt pile. Fincantieri's presentation was enlightening. He wished that this was located in the Industrial Park. He stated that the City should require exactions from Fincantieri, such as more street cleaning. He hopes that it would be written that any change in variation of anything has to go through the Plan Commission. If there are no plans to do anything with the parking lot, it should be put on paper. He thinks that they are now doing a better job in working with the community.

Mr. Olejniczak went over the staff recommendation. In the original staff report there was a concern over maintaining a buffer between the residential area east of 3rd Avenue and the industrial area. With the revised request, Fincantieri is leaving a large area of the parking lot as C-2 that creates a buffer area. With the reduction of the area to be rezoned I-2 and the fact that the comprehensive plan shows this region as being a future industrial land use, the staff recommendation was to approve the new modified request from Fincantieri as presented.

Mr. Statz referred to building 422 and if there would be a problem bringing materials across C-2 zoning to the door on the north end. Mr. Olejniczak responded that using it as an access point would be ok, but not to store or park anything for an extended period.

Mr. Statz also asked about extending the fence from C-2 to the I-2 area. Mr. Olejniczak responded that the City has no fence ordinance. Mr. Statz did not see the need to change the northern area from C-2 to I-2.

Mr. Norland disagreed with Mr. Statz and said it gives a nice straight line for moving things in and out along the I-2. He had no problem with rezoning to I-2. He wondered what would happen if the lot line changed. Mr. Olejniczak responded that parcel already has split zoning. They are just requesting to change where the split zoning line is.

After further discussion, it was moved by Mayor Ward, seconded by Mr. Norland to recommend to Council approval of Fincantieri's rezoning request from C-2 to I-2 as proposed in their letter of October 26, 2020, and depicted in the map attached to the letter.

Ms. Bacon said the presentation was very good and likes the fact that manufacturing activity is going to be inside. Fincantieri should promote themselves better and let the community know what they have done for the community. She is excited about the beautification plan.

Ms. Kiedrowski appreciated the presentation. She feels that after everything is completed, it will be much better visually.

Mayor Ward stated that several times the issue of taxes came up. It was said that by rezoning you will get less money. The State has a uniform tax assessment policy. Taxes are based on the value of a property.

Mayor Ward also addressed the issue of corporate citizenship. Fincantieri contributes to many things in our community, including donations, investments, and partnerships, which they do not talk about.

Mayor Ward spoke about the size of the buildings. Years ago, he toured Marinette Marine. He noted that hulls are built upside down. There is a need for the expanded size of buildings.

Mayor Ward added that if Fincantieri does not get another contract, there will be no noise issue. They are the ones taking a risk.

Mr. Statz reiterated that the whole northern section of the area proposed to be rezoned does not have to be included with the I-2 rezoning. It should stay C-2. He would like to see a condition added that the historic Train Depot will not be demolished and the exterior shall be maintained in good condition.

Ms. Reeths hopes that the new buildings and the insulation will cure a lot of the issues. It will be great to see the yard cleaned up. The Train Depot should be turned into a place for history to be told.

Mr. Holey stated if the rezoning of the parking lot was needed, he was in favor of it. If it is all to remain a parking lot, he would be okay with C-2 or I-2. It still maintains a buffer from N. 3rd Avenue. He would like to add to the motion regarding the beautification plan.

Mayor Ward stated that it was already committed in the City budget to go ahead with beautification. Mr. Thayse has agreed to match, if not more, the City's beautification commitment.

Moved by Mr. Holey to amend the motion, seconded by Mr. Norland, to include the condition that Fincantieri must complete a beautification plan incorporating the 3rd Avenue properties to be rezoned, through a cooperative effort with the City of Sturgeon Bay. The plan must be approved by the City.

A vote was taken on the amended motion. All ayes. Carried

A vote was taken on the original motion. Carried, with Mr. Statz voting no.

Consideration of: West Waterfront redevelopment proposals: Mr. Olejniczak stated that this was discussed at the previous Plan Commission meeting. At that time, of the three proposals, it was decided to eliminate FIT Investment Group. The Commission requested staff to gather some other information regarding the Northpointe and T. Wall Enterprises proposals.

In regard to Northpointe, they would be flexible with site layout and building design. They would also be willing to add commercial space to the development, and increasing the number of units.

The site design for T. Wall Enterprises goes beyond the limits of the development site. It extends into the property currently owned by the Waterfront Redevelopment Authority, which is the parking lot in front of the Door County Maritime Museum. It also would involve shifting Locust Ct. They have built \$100,000 into their budget for those changes. Anything above that would be the City's cost. Besides the 80 stall underground parking, they would need additional surface parking. If there is parking below the high water mark, it has to be undesignated public parking. They were not sure if that would be acceptable. If need be, there could be parking for tenants in the Maritime Museum area of the property. They also would not prefer adding commercial space.

Mr. Olejniczak stated that staff likes Northpointe's proposal, since they are eligible to use the Community Development Block Grant funds that the County has. It creates workforce housing downtown. This project is split with half market rate and half workforce. Workforce is defined as people earning 80% of the median county income. Even though the property value is less for Northpointe than T. Wall, the increment created pays off the loan and creates additional increment that can be used for the public improvements, such as the park next to it. They can also start construction much sooner than T. Wall. Northpointe has no impact on the promenade. The City has a positive relationship with Northpointe.

Mr. Statz stated that he did not see the value of commercial space.

Mayor Ward pointed out that the City has a lot of vacant storefronts. There is no parking in that area for commercial. He was in favor of Northpointe and asking them to add 8 units to the 40 that were proposed. He also mentioned parcel 100 to be used for commercial use such as bar and/or restaurant.

Mr. Norland noted that Northpointe does not offer any 3-bedroom units. Also, after a ten year period, and Northpointe decides to go full market rate, the value goes up, which helps the tax increment district.

Ms. Kiedrowski stated that she is leaning toward Northpointe. She did like T. Wall with the way the patio was facing and made the space larger. There should not be commercial, as it would complicate matters.

Ms. Bacon stated that she did not like the aesthetics of Northpointe. She is glad that they are willing to do something more upscale. She likes the smaller footprint and space around the building. It fits the site better. She also likes the idea of adding some 3-bedroom units and increasing to 48 units.

Moved by Ms. Bacon, seconded by Mr. Statz to recommend to Council to accept the development proposal from Northpointe Development Corporation for the West Waterfront redevelopment and negotiate with Northpointe to finetune the proposal, including increasing the number of units.

Ms. Reeths disagreed with having no commercial development. This piece of property is too beautiful just to have apartments on it. Mayor Ward responded that request for proposals had been sent out and all three proposals that were received were all housing proposals.

Mr. Gustafson stated that he was one of the alderpersons that brought the retail idea to the table with Mayor Ward. The financials are very concerning between retail and the current world. He suggested to market the site with a retail option and put a time limit on response.

Mr. Olejniczak said that it makes sense to at least explore commercial. It definitely would fit the plan.

A vote was taken on the motion. All ayes. Carried.

Consideration of: Sunset School redevelopment proposals: Mr. Olejniczak stated that three proposals were received for redevelopment of Sunset School and the parking lot across the street from Sunset School. Both parcels are owned by the school district and will become available after this school year.

In terms of Horizon, their proposal was a WHEDA tax credit project. They revamped their financial proposal. They would pay for the cost of the demolition of the school building. In exchange for doing the demo, they want their payment of the school property of \$240,000 to be deferred for 15 years.

Maritime Heights (Doreen Phillips) would keep the same design as the current apartments on the parking lot site. On the school site, she would like to keep the same design, but change the color to two-tone.

S.C. Swiderski is agreeable to making site layout changes.

In summary, Maritime Heights would range from 32 – 50 units. Rent structure for the two or three bedroom units would be \$795 - \$995 per month. They will pay \$10,000 for the property and take care of demolition. They request a developer incentive of \$30,000 payable over 2 years upon construction.

The S.C. Swiderski proposal was either 24 or 28 units. Rent structure for the two or three bedroom units would be \$845 - \$1145 per month. They would like the land for free and have the school or City demolish the building. They also would like a developer incentive of \$200,000 payable at the occupancy of each of their four buildings, which would be \$50,000 after each building was completed.

Horizon Development proposed 48 units that would be mostly rent restricted, with a few market rate units. Rents would be as low as \$335 to \$1150. They are willing to pay \$240,000 for the land, but deferred for 15 years. They are willing to demolish the building, but would like a developer incentive of \$478,000.

Mr. Olejniczak went over the tax proformas completed by Baird, the City's financial consultant. If a tax increment district is created, the proforma for the Maritime Heights project estimates the project would recover its expenditures in about its' 5th year of existence. The Horizon proforma estimated that it would pay off in 2037. The proforma for the S.C. Swiderski project estimated the expenses would be paid off in 2035 or in 2031 depending upon the cost of demolition. The City will be meeting with the school district on Thursday.

Mr. Olejniczak stated that S.C. Swiderski did not need the parking lot area. There is no sanitary sewer and water service to the site, so their proposal used that site only for garages. Maritime Heights, since they own the property next door, would only have to extend their internal sewer and water to that site in order to construct dwelling units on it. S.C. Swiderski has attached garages and their original proposal had the garages facing inward.

Ms. Reeths likes the S.C. Swiderski proposal and that they would give up the parking lot to Maritime Heights for expansion.

Mr. Statz added that discussion was held at the last meeting that maybe it would make sense to flip the garages. They were willing to do that, but the buildings that weren't on 8th Avenue would still need a driveway on 8th Avenue to get to their garages. Mr. Holey said that he was not in favor of doing that.

Mr. Norland noted that the Maritime Heights proposal created the most tax increment dollars. However, as far as building design, etc., he prefers S.C. Swiderski.

Ms. Kiedrowski also preferred S.C. Swiderski. It is more upscale, but likes the idea of Maritime Heights occupying the parking lot area.

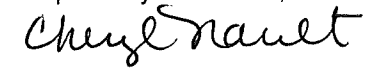
Ms. Bacon agreed and likes the idea of Maritime Heights occupying the parking lot.

Mayor Ward stated that if a tax increment financing district is formed, some improvements may get done, such as sidewalks.

Discussion continued. Moved by Mr. Holey, seconded by Mr. Statz to recommend to Council to work with the S.C. Swiderski proposal for redevelopment of the Sunset School parcel, and to work with Maritime Heights for the redevelopment of the parking lot parcel on the south side of Erie Street. All ayes. Carried.

Adjourn: Moved by Mr. Holey, seconded by Ms. Reeths to adjourn. All ayes. Carried. Meeting adjourned at 9:48 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Cheryl Nault".

Cheryl Nault
Community Development Secretary

Martin Olejniczak, AICP
Community Development Director
421 Michigan Street
Sturgeon Bay, WI 54235



Phone: 920-746-2910
Fax: 920-746-2905
E-mail: molejniczak@sturgeonbaywi.org
Website: www.sturgeonbaywi.org

MEMO

To: City Plan Commission
From: Marty Olejniczak, Community Development Director
Date: November 13, 2020
Subject: Revised Proposal for West Waterfront Redevelopment - Northpointe

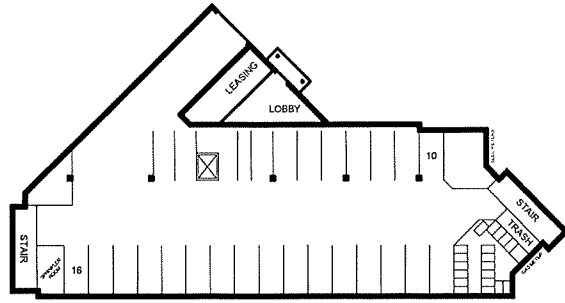
At the last Plan Commission meeting, the Commission recommended that the City work with Northpointe Development Company for the main redevelopment site within the West Waterfront area, but with a request to increase the number of units.

Northpointe is willing to increase its density. However, prior to going to the Common Council with the recommendation, it was discovered that the County's CDBG funds cannot be used for new low to moderate income (LMI) housing. Since this was a major component of the funding for the project, it required Northpointe to completely redo the financing for the project.

Northpointe has devised a new project that they believe both meets the desires of the Plan Commission and works financially from a tax increment financing standpoint. The revised project is 52 units with all units being market-rate units (no LMI units). This increases the assessed value of the project, but with the loss of the \$1.4 Million in CDBG funding, it requires a larger TIF incentive.

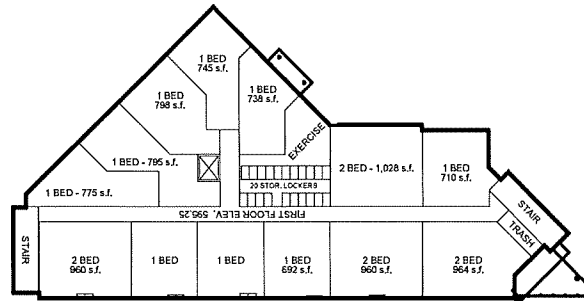
The latest project info is included in the packet. Staff has requested that R.W. Baird complete a new TIF proforma for this project, which should be ready by Wednesday's meeting. That will allow the Commission to compare the revised project to the original project and to the T. Wall Enterprises proposal.

Ultimately, the Plan Commission is requested to consider the revised proposal and either reaffirm its recommendation to work with Northpointe on a development agreement or decide to go with the T. Wall Enterprises proposal or reject all proposals.



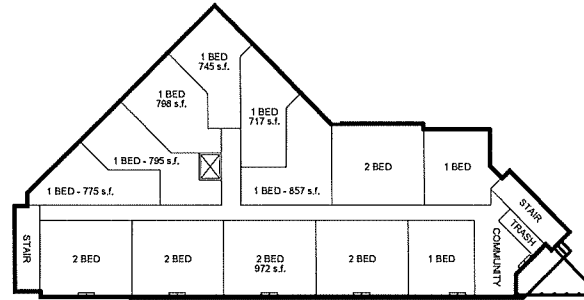
PARKING LEVEL

1ST FLOOR	
1 BEDS =	9
2 BEDS =	4
13	



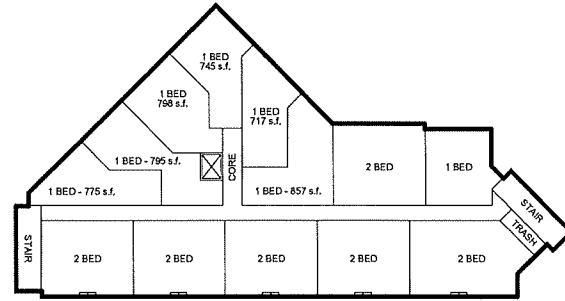
1ST FLOOR

2ND FLOOR	
1 BEDS =	8
2 BEDS =	5
13	



2ND FLOOR

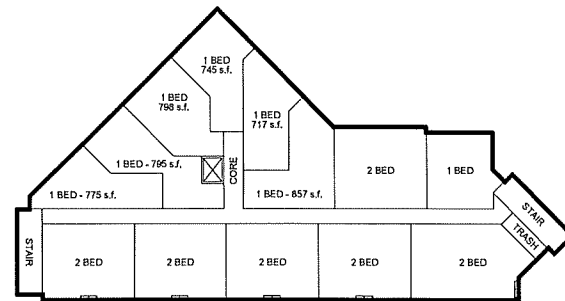
3RD FLOOR	
1 BEDS =	7
2 BEDS =	6
13	



3RD FLOOR

TOTALS	
1 BEDS =	0+8+7+7 = 31
2 BEDS =	4+5+6+6 = 21
52	

4TH FLOOR	
1 BEDS =	7
2 BEDS =	6
13	



Proforma Summary:

INCOME		Unit Type	Units	Rents	Monthly	Annual
Market						
	100%	1 Bedroom	31	\$1,200	\$37,200	\$446,400
		2 Bedroom	21	\$1,500	\$31,500	\$378,000
Gross Rental			52		\$68,700	\$824,400
		Vacancy	7.00%		(\$4,809)	(\$57,708)
		Rental Concessions				
Net Rental Income					\$63,891	\$766,692
		Misc. Income			\$125	\$1,500
		Parking Resident	25	/stalls	\$1,300	\$15,600
		Other Income Va	0		(\$91)	(\$1,092)
Effective Gross Income					\$65,225	\$782,700
EXPENSES						
		Administrative			\$6,165	\$73,980
		Utilities			\$2,860	\$34,320
		Maintenance			\$5,087	\$61,044
		Taxes & Insurance			\$9,633	\$115,596
		Total Operating Expenses			\$23,745	\$284,940
		NET OPERATING INCOME			\$41,480	\$497,760

Sources and Uses:

First Mortgage	\$7,494,000
Equity	\$456,048
TIF Present Value	\$1,475,000
Deferred Developer Fee	\$1,131,006

TOTAL SOURCES OF FUNDS	<u>\$10,556,054</u>
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Property Acquisition	\$1
Construction/Rehab Costs	\$8,230,581
Construction Contingency	\$411,529
Architectural & Engineering	\$228,400
Interim Construction Costs	\$441,574
Financing Fees & Expenses	\$80,000
Soft Costs	\$32,963
Developer Fee	\$1,131,006

TOTAL USES OF FUNDS	<u>\$10,556,054</u>
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TIF CALCULATOR

Calculate Value

Calculate Time

Increment [?]

5530000

Mill Rate (Amount/\$1,000 of Value) [?]

21.069

Allocation (% of Increment paid) [?]

90

Interest Rate [?]

4

Payback Time (Years) [?]

20

Payback Delay (Years) [?]

0

Net Present Value = \$1,482,090.72

Staff Report Tourist Rooming House Code Text Amendment

The Plan Commission has been reviewing the Tourist Rooming House ordinance for approximately two years now to understand if there are any issues that warrant amending the ordinance. A *Tourist Rooming House (otherwise known as a vacation rental)* is a dwelling unit in which sleeping accommodations are offered for pay to tourists or transients for periods less than one calendar month or 30 days. It does not include a boardinghouse not accommodating tourists or transients, or bed & breakfast establishments.

The City of Sturgeon Bay adopted a Tourist Rooming House ordinance in 2016. The ordinance allows residential and commercial zoned properties to be used for this purpose as long as the following requirements are met:

1. The facility must be licensed by the Department of Health Services, the City, and the Door County Tourist Zone Commission.
2. The owner/operator must reside within Door, Kewaunee, or Brown Counties during periods in which the unit is rented unless a management company has been contracted.

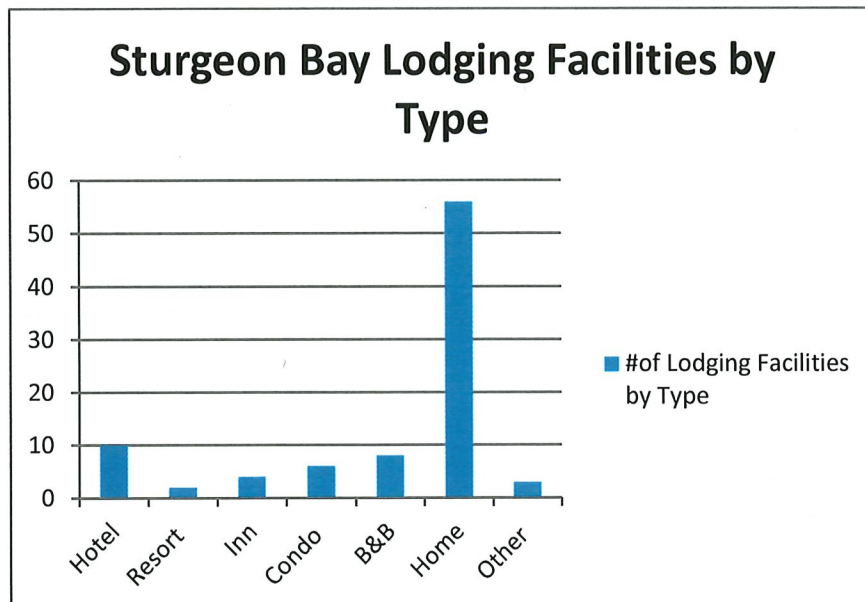
There have been relatively few issues from a regulatory standpoint. With the cooperation of the Door County Tourism Zone Commission, user compliance from property owners is high. There haven't been any issues identified from SBPD, SBFD, or Building Inspectors. However, it should be noted that the SB-Fire and the Building Inspectors do not inspect residential properties.

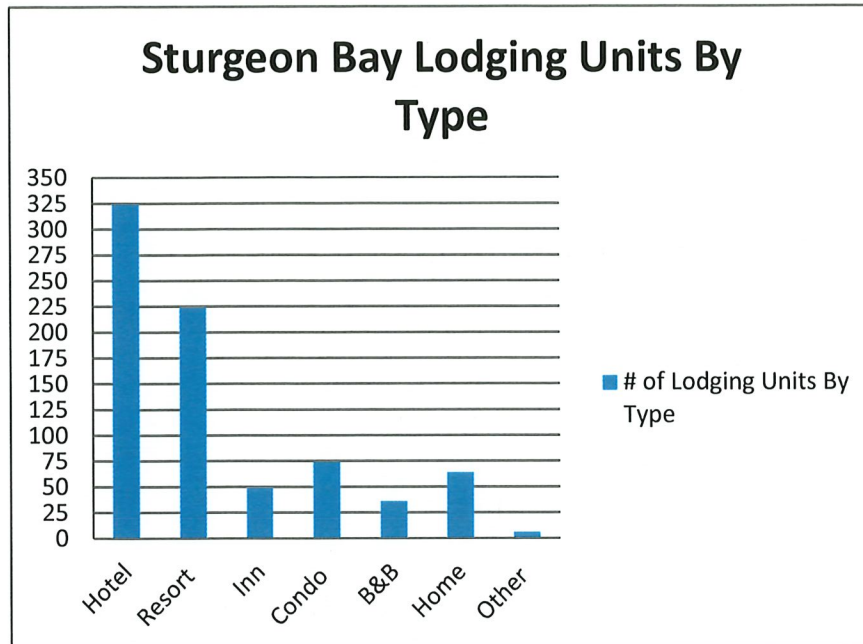
State statute allows the City to place a 7-day minimum rental period. In addition, the overall use can be limited to 180 consecutive days out of a year. Another thing to consider is that other lodging industries have expressed their concern for continuing to allow tourist rooming houses in the residential area.

These were the questions from the Plan Commission members:

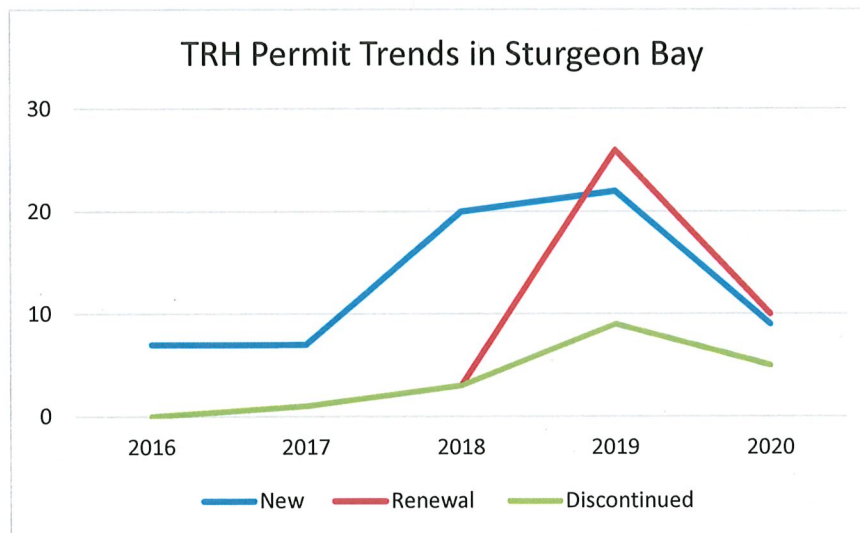
1. Does the City have the ability to cap the number of licenses granted?
 - a. Review legal opinion
2. Are there issues with the current ordinance?
 - a. Parking: The current ordinance does not specify a required amount of parking for tourist rooming houses. By default, this falls back to administration to determine the required amount of parking.
 - i. Residential dwellings in the City are required to have two parking spaces.

- ii. B&B's are required to have 2 spaces plus 1 space per lodging unit.
 - b. The Sturgeon Bay Police Department and Community Development Department do not have any nuisance issues on file.
3. Is there a comparison of home rentals vs room rentals?
- a. 4% of the total permits are room rentals as opposed to full home rentals.
4. Are there any enforcement measures for TRH related nuisance issues?
- a. The tourist rooming house ordinance is regulated under the zoning chapter which has enforcement measures in place.
 - b. The license renewal process allows staff to review and correct any issues that have occurring.
5. What is the hotel capacity of Sturgeon Bay?
- a. Attached is a breakdown by municipality of the various types of lodging facilities and number of units. This information was provided by the Door County Tourism Zone Commission.





6. What is the Tourist Rooming House Permit Trend?



7. What is the City's regulatory options?

a. See the attachment

8. What percentage of rentals were year-round vs. seasonal?

b. Based on 2018 data, 88% of the active permits were year-round uses.

9. What percentage of rentals were on a residential property vs commercial?

c. 88% of all active permits were on a residentially zoned/used property.

Included in your packet is:

1. A Q&A document provided by the Door County Tourism Zone Commission. There is a lot great information in this document and describes the positive and negative aspects of vacation rentals.
2. A list of potential regulatory options that could be adopted by the City.
3. A spreadsheet of the number of active permits by type provided by the Door County Tourism Zone Commission.
4. Minutes from January 2020 Plan Commission meeting.
5. A legal opinion from Attorney Jim Kalny
6. Egg Harbor's adopted tourist rooming house ordinance

Option: The Plan Commission has the option to:

1. Make no changes to the ordinance. If necessary, the matter could be revisited in a year or two to review latest trends and attitudes.
2. Work on ordinance amendment to the Tourist Rooming House regulations (i.e. using one of the options provided by City Staff).


Recommendation: City Staff recognizes that there are both positive and negative aspects of allowing vacation rentals. A lot of the issues seen in larger communities are very real and problematic. However, the City is in a unique position as far as the nature of our local economy and compliance for use / taxation. The City does not currently have a lot of the issues that are defined in other communities. Staff recommends making no changes to the ordinance at this time.

Prepared by:


Christopher Sullivan-Robinson
Planner / Zoning Administrator

11-13-20
Date

Reviewed by:


Marty Olejniczak
Community Development Dir.

11-13-20
Date



DOOR COUNTY TOURISM ZONE COMMISSION

PO Box 55, Sister Bay, WI 54234

920-854-6200, Fax: 920-854-9019

E-mail: info@doorcountytourismzone.com

Website: www.doorcountytourismzone.com

Q & A: Municipal Reference for short-term rentals

► WHAT IS THE FUNCTION OF THE DOOR COUNTY TOURISM ZONE COMMISSION?

The Tourism Zone Commission is a government entity created by the Intergovernmental Agreement (authorized by State Statute §66.0615). The Tourism Zone Commission does not have the authority to enforce local zoning code or local nuisance ordinances.

The Commission is responsible for:

- ✓ Investigative work to recover un-permitted lodging providers.
- ✓ Issuing of lodging permits.
- ✓ Collection and distribution of local municipal room tax.
- ✓ Preparing and delivering all the required reports
- ✓ Contracting with a tourism entity (Door County Visitor Bureau) for the purpose of marketing the destination
- ✓ Enforcement and compliance.

► WHAT ARE THE REQUIREMENTS THAT A PROPERTY OWNER MUST COMPLETE?

- ✓ Obtain Door County Tourism Zone permit (Only part of the process that the Tourism Zone has the authority to enforce).
 - The room tax must be collected on any transient rental, which is defined as any rental term less than thirty (30) days. Please note that property owners are responsible for room tax payments as of the date they began renting, even if they were not permitted or collecting the tax.
 - The same requirements apply whether you are in business as an inn, hotel or a home that just rents a few times a year.
- ✓ The Tourism Zone notifies property owners of the following additional requirements:
 - If in the City of Sturgeon Bay, obtain the TRH permit.
 - If renting over 10 days total annually, the property owner must obtain a DATCP license as a "Tourist Rooming House".
 - Part of the DATCP license requires that if on well water, a water test must be completed annually and kept on file for each three-year inspection.
 - If not collected by the Lodging Marketplace, the property owner must collect and remit WI State Sales Tax. (Direct Bookings)
 - PRAT tax is collected and remitted to the WI DOR for those municipalities with PRAT.

► WHAT DOES STATE STATUE ALLOW TO REGULATE SHORT TERM RENTALS BY WI MUNICIPALITIES?

Background: 2017-19 state budget, WIS ACT 59, Wisconsin lawmakers enacted a new law that protects the ability of homeowners to rent out their homes on a short-term basis. The law was passed in response to a growing number of communities banning the rental of residential dwellings for any period of time less than 30 days. An analysis of the law is provided below from the Wisconsin Realtors Association:

1. Local governments can regulate but not prohibit short-term rentals:

Statute prohibits local governments — which include counties, cities, villages and towns — from banning the rental of a residential dwelling for a period of time of seven consecutive days or more. Under the law, "dwelling unit" is defined as "any building or structure, that is used or intended to be used as a home, residence, or sleeping place by one person or by 2 or more persons maintaining a common household, to the exclusion of all others." This restriction on local government authority applies regardless of the zoning classification. In other words, a local government cannot prohibit the rental of a residential dwelling for seven days or more in any part of the community — such as shoreland areas — or in any zoning classification.

- a. The law does not prevent local governments from banning nightly rentals or rentals of less than seven consecutive days. The law treats rentals of less than seven consecutive days differently because lawmakers believe such rentals are more of a commercial use of property, which may be inappropriate in some residential areas. A community, therefore, may enact regulations that require property owners to comply with noise standards, parking requirements, obtaining a local permit, paying penalties for ordinance violations or comply with other local standards.

2. Local permits are allowed:

While local governments are not allowed to prohibit homeowners from renting out their homes for seven days or more under the new law, local governments can require property owners to obtain a permit to rent out their homes. The local permit, however, cannot be overly restrictive, resulting in a de facto prohibition on a short-term rental. Such local permits should be more administrative in nature and contain objective and reasonable standards. A common question is whether a local community can require a conditional use permit (CUP) for a short-term rental. The answer depends on the nature of the CUP requirement. If the CUP requirement is overly restrictive and either explicitly or implicitly makes certain residential dwellings ineligible for a permit, then the CUP requirement is in violation of the new law.

3. Six-month local cap:

Under the law, local governments are allowed to place a six-month/180-day cap on the amount of time property owners can rent out their home during any 365-day period. Moreover, the law allows but does not require local governments to require the 180 days to be continuous. In communities that have adopted a six-month cap, property owners are allowed to choose which six-month period the dwelling is rented. For example, if the city adopted a six-month limit on short-term rentals, the property owner could choose March 1 through August 1, April 3 through September 3, May 7 through October 7, or whatever six-month time period the property owner prefers. The six-month requirement is another way in which lawmakers wanted to distinguish between commercial and residential uses of a home. From their perspective, a home that is rented for more than six months during the year is more of a commercial use of property and thus may be inappropriate in some residential areas.

4. State licensing and inspection requirements:

While not a new requirement, most short-term rentals are required to obtain a "tourist rooming house" license from the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP). Such a license is required for vacation homes, cabins and cottages that are rented out to tourists and transients for more than 10 nights in a 12-month period. See complete details about this license on the DATCP's tourist rooming house page online at datcp.wi.gov/Pages/Programs_Services/TouristRoomingHouses.aspx. The license is an annual license that extends from July 1 of one year through June 30 of the following year, with an annual license fee of \$110. A property owner may rent as many as four units under each tourist rooming house license. As part of the state licensing process, the state will send a inspector to the property to ensure that it meets state health and safety requirements. A one-time fee of \$300 is required for the state inspection.

5. Collection of state sales and local room taxes:

Finally, the law requires owners of short-term rentals and lodging marketplaces to collect state sales and use tax and any room tax owed from the person renting the residential dwelling.

► DOES THE TOURISM ZONE ENSURE THAT ALL AIRBNB, VRBO & HOMEAWAY (ETC.) PROPERTIES ARE PERMITTED AND PAYING ROOM TAX?

The Tourism Zone takes the role of ensuring a level playing field seriously and to the best of our abilities we pursue any and all properties advertised for lodging in Door County. Here's how we make sure everyone pays fairly to support destination marketing and our member municipalities:

- ✓The Administrator monitors all online rental sites for un-permitted, non-paying properties.
- ✓The Administrator conducts a monthly audit for each of the major platforms. The audits are posted monthly [online](#).
- ✓Each month the Administrator reports to the Commission the number of new permits and the number of properties found un-permitted during the report month. Stay up to date with the latest news from the Administrator - [Click here](#) for the Admin Report with stats for permitting.
- ✓The permitted property report is released semi-annually and contains the online listing of the permitted properties – you can search the list by municipality. [Click here](#) for the Permitted Properties Report.
- ✓The Administrator reviews reporting against online reviews and municipal averages for suspected cases of under-reporting.

► WHAT STEPS HAS THE DOOR COUNTY TOURISM ZONE TAKEN TO ASSIST PERMIT HOLDERS WITH BUILDING RELATIONSHIPS WITH NEIGHBORS TO MAINTAIN COMMUNITY ACCORD?

The Tourism Zone developed the [Good Neighbor Best Practices](#) guide in response to permit holders desire to establish a starting point to work with their neighbors and community while establishing expectations with renters. The Tourism Zone distributes a fully modifiable document to serve as a starting point for property owners to open the lines of communication for those who facilitate lodging to think about the surrounding community while creating expectations for renters. While the Tourism Zone doesn't have the authority to enforce or require the use of the Best Practices, we've found permit holders appreciate the starting point to generate a guide for each of their properties.

- ✓The form is sent to each new permit holder.
- ✓The form is sent to each property manager to use at the start of each season (began in 2019).
- ✓Information and the modifiable form are available on the Tourism Zone Website

★ It may be helpful for each municipality to post the same information on their website. The Good Neighbor Best Practices could also be used as a starting point for an ordinance to establish expectations within a municipality or used as part of a municipal business license/permit. A municipality has the enforcement authority.

► WHAT ROLE WOULD THE TOURISM ZONE PLAY SHOULD A MUNICIPALITY CHOOSE TO ENACT REGULATIONS ON SHORT TERM RENTALS?

Any municipal regulation of short-term rentals would have to be established as a local ordinance; the municipality would have to enforce it. The Tourism Zone Commission can't enforce local codes or ordinances. We'll share information to the extent that we can under statute, but the Tourism Zone can't be the municipalities' compliance officer for local ordinances and codes.

► A FEW FACTS ABOUT SHORT TERM RENTALS - (STR'S)... THE TWO SIDES OF A COMPLEX ISSUE.

In recent years, home-sharing platforms have developed into major players in the tourism sector. It is important to recognize that our communities can and do profit from increased attention and income from STRs. They can present some challenges while being a valuable contributor to

Door County tourism. Some points to consider from the two sides of the complex issue are provided...(from Tourism Zone Annual Meeting presentation June, 2019.)

POSITIVE CONTRIBUTIONS	CHALLENGES
<ul style="list-style-type: none"> ✓ Additional income for hosts in a seasonal tourism destination. ✓ 478 (39.5%)of the 1210 permit holders, the owner information provides a local zip code. <ul style="list-style-type: none"> • Employs residents for cleaning, maintenance, appliance repair, etc. • Employs residents via property management companies. • Purchase supplies and equipment from local businesses. • Provides tourists with a diverse supply of accommodation choices. ✓ Keeps Door County relevant with consumer travel demands. ✓ Serve different price points & communities. <ul style="list-style-type: none"> • Supports tourism. • Guests support local businesses. ✓ Airbnb: In 2018, Door County ranked #3 in the State only behind Milwaukee and Dane County. <ul style="list-style-type: none"> • \$3.2 Million in host income -\$176,000 in room tax revenues. • 21,000 guests hosted. ✓ Income through room tax revenues. ✓ Helps local residents keep/stay in their homes through supplemental income. ✓ Competition to traditional lodging can drive businesses to raise the bar or align their offerings to better compete. 	<ul style="list-style-type: none"> • Disruptive to traditional Lodging. • Neighbor/neighborhood complaints. • Safety. <ul style="list-style-type: none"> ◦ Sanitary concerns. ◦ General safety. ◦ Liability & insurance. • Noise. • Parking. • Reduces homes available for long term rentals for workforce. • Demand for real estate increases prices making it challenging for those who live and work in Door County to achieve the ability to purchase a home. <ul style="list-style-type: none"> ◦ Average inland home sale in 2018 for Northern Door was \$283,080 (162 sales)* ◦ Average inland home sale in 2017 for Northern Door was \$254,279 (185 sales)* ◦ Average price of a home in Sturgeon Bay in 2018 was* \$149,950 (# of sales unavailable) ◦ Average price of a home in Sturgeon Bay in 2017 was \$141,247 (111 sales)* from the Door County Board of Realtors

► POINTS OF DISCUSSION:

- ✓ **Room Tax Primer** - Do you know the history of room tax in Door County? (Please refer to the Room Tax Primer at the end of this reference document)
- ✓ Length of stay discussion – by limiting stays will your community lose lodging revenue?
- ✓ Will proposed restrictions create an underground market for short term rentals?
- ✓ Is your municipality prepared to enforce proposed restrictions?
- ✓ Will restrictions encourage guests to seek lodging in other communities or other areas in the State?
- ✓ What is the importance of room tax collections to your community and municipal budget? Will regulations impact budgetary planning in years to come?
 - ★ For many communities, particularly those with a robust tourist industry, short-term rentals represent a potentially significant source of tax revenue. (Reference table on next page that illustrates room tax revenues from the Door County Tourism Zone audit)
- ✓ For more awareness of new rentals in your municipality, the Door County Tourism Zone Administrator can screenshot and email new permits to your municipal office. Please contact the Tourism Zone to arrange for this flow of communication.
- ✓ Could technology assist with maintaining balance? One example: Noiseaware noise monitoring: "NoiseAware is a noise protection service for short term and vacation rentals. The only way to prevent a noise complaint is through proactive incident management. In just 5

minutes, an owner can connect the sensor to their property's WiFi, set quiet hours, customize their property's noise sensitivity and choose your notification preferences. With NoiseAware protection an owner is immediately notified if the noise level at your property exceeds their quiet hours setting.

<https://noiseaware.io/blog/4-major-industry-trend-of-the-short-term-rental-industry/> (Company provides both indoor and outdoor noise monitoring)

Door County Tourism Zone Commission Sister Bay, Wisconsin

SCHEDULE OF ROOM TAX REVENUE BY MUNICIPALITY FOR THE YEARS ENDED DECEMBER 31, 2018, 2017, 2016, 2015, AND 2014

	2018	2017	2016	2015	2014
MUNICIPALITY					
City of Sturgeon Bay	\$ 646,494	\$ 639,604	\$ 632,955	\$ 586,918	\$ 567,932
Village of Egg Harbor	428,686	419,627	418,951	388,306	353,730
Village of Ephraim	603,597	567,201	559,881	507,218	455,470
Village of Sister Bay	607,588	584,855	528,374	491,513	455,657
Town of Baileys Harbor	370,552	347,880	356,455	297,971	271,034
Town of Brussels	-	-	-	223	247
Town of Clay Banks	6,009	5,931	5,537	5,582	4,461
Town of Egg Harbor	441,745	401,485	369,740	344,628	317,505
Town of Forestville	390	197	422	297	88
Town of Gardner	36,483	34,129	33,767	34,660	26,823
Town of Gibraltar	733,021	708,336	643,310	632,299	608,540
Town of Jacksonport	96,810	92,832	86,127	76,351	73,645
Town of Liberty Grove	356,367	321,833	306,401	285,354	247,327
Town of Nasewaupsee	104,257	103,726	102,404	94,595	82,252
Town of Sevastopol	334,449	322,325	317,830	289,239	266,313
Town of Sturgeon Bay	37,806	29,416	25,662	25,723	26,874
Town of Union	3,902	1,862	337	539	-
Town of Washington	84,055	79,408	70,897	69,412	60,607
TOTAL	\$ 4,892,211	\$ 4,660,647	\$ 4,459,050	\$ 4,130,828	\$ 3,818,505

WISCONSIN

SHORT-TERM RENTALS LAW

Incorporates changes from Wisconsin Act 59 from September 2017

Residential Dwelling Rental

Municipality

CAN:

1. Prohibit rentals for less than seven consecutive days
2. Limit total consecutive days they rent (180 days min.)
3. Require local permit

CANNOT: Prohibit rentals of 7-29 consecutive days

"Residential dwelling": any building, structure, or part of the building or structure, that is used or intended to be used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, to the exclusion of all others

"Short-term rental": a residential dwelling that is offered for rent for a fee and for fewer than 29 consecutive days

"Lodging Marketplace": an entity that provides a platform through which an unaffiliated third party offers to rent a short-term rental to an occupant and collects the consideration for the rental from the occupant

"DATCP": state Department of Agriculture, Trade & Consumer Protection; the agency responsible for lodging licenses, or their authorized local health agents

"DOR": state Department of Revenue; the agency responsible for the collection of state tax revenue and for licensing lodging marketplaces

Short-Term Rental on own

1. The property must obtain a DATCP license as a "tourist rooming house" (subject to fees, inspections) and obtain municipal permits as required.
2. The owner/operator of the property must register with the DOR for a license to collect taxes (if the total sales revenue is \$2,000 or more). They must then collect and remit state & county sales taxes, local room tax, and any applicable special district or premier resort area taxes.

Short-Term Rental through registered Lodging Marketplace

1. The property must obtain a DATCP license as a "tourist rooming house" (subject to fees, inspections) and municipal permits as required.
2. The registered Lodging Marketplace collects and remits state & county sales taxes, local room tax, and any applicable special district or premier resort area taxes.

Lodging Marketplace Requirements

1. If the Lodging Marketplace has nexus in Wisconsin, they must register with the state DOR for a license to collect taxes imposed by the state related to short-term rentals now and to collect municipal room tax. Remote (out-of-state) sellers are deemed to have nexus if they sell taxable products and services from Wisconsin. There is a "small seller exception" for remote sellers who do NOT have annual sales into Wisconsin of more than \$100,000 OR 200 or more separate transactions annually.
2. Collect from buyer and remit to DOR sales and use taxes.
3. If rental is in a municipality with a room tax, collect from buyer and remit room tax to the municipality.
4. Notify short-term rental owners that above taxes were collected and remitted on the sales.

provided by:



Wisconsin Hotel & Lodging Association | 1025 S. Moorland Road, Ste. 200, Brookfield, WI 53005
262/782-2851 | wisconsinlodging.org
Contact Trisha A. Pugal, CAE, President/CEO | pugal@wisconsinlodging.org
REVISED FEBRUARY 2019

Options for Regulating Tourist Rooming Houses (Short-Term Rentals)

Updated March 13, 2020

Note: The City cannot prohibit (but can regulate) rental periods of 7 days or longer, except it can limit the duration of such use to 180 consecutive days in any calendar year.

1. Status Quo (current ordinance) – Tourist Rooming Houses (TRH's) are permitted for all dwelling units subject to obtaining a license and a few restrictions.
 - a. Advantages
 - i. Maximum flexibility for property owners
 - ii. No need to change code
 - iii. Room tax collections
 - iv. Matches county regulations
 - b. Disadvantage
 - i. Potential impact to neighborhoods
 - ii. Potential impact to traditional lodging industry
 - iii. Potential impact to long-term rental housing stock
2. Adopt additional requirements – TRH's would still be permitted, but subject to more requirements such as inspections, proof of insurance, paved off-street parking, occupancy limitations, change permit duration, etc.
 - a. Advantages
 - i. Property owners still allowed to do short-term rentals
 - ii. Might prevent neighborhood concerns
 - iii. Equity with traditional lodging industry
 - iv. Room tax collection
 - b. Disadvantages
 - i. Requires more administration
 - ii. Potential impact to long-term rental housing stock
3. Madison approach – Rentals with owner present are not restricted. Rentals without owner present are limited to 30 days per year. Only owner may operate the TRH.
 - a. Advantages
 - i. Allows owners to obtain some income without turning the unit into full-fledged business
 - ii. Owner present (other than the max 30 days) prevents neighborhood concerns
 - iii. Less impact to long-term housing stock
 - b. Disadvantages
 - i. More administration required
 - ii. More restrictive than rest of county
 - iii. Less flexibility for property owners
 - iv. Most active permits are for off-premise owners

4. Weekly only - Prohibit rental periods of less than 7 days (with or without additional requirements)
 - a. Advantages
 - i. Presumably less impact on residential neighborhoods due to less turnover
 - ii. Still allows some flexibility to property owners
 - b. Disadvantages
 - i. Enforcement could be difficult
 - ii. TRH's could have weekly rental contracts but prorate fee based with shorter actual stay (workaround)
5. Maximum restriction - Prohibit rental periods of less than 7 days and limit rental periods of 7–28 days to 180 consecutive days in a calendar year (with or without additional regulations)
 - a. Advantages
 - i. Presumably less impact on residential neighborhoods due to less turnover
 - ii. Might preserve long-term rental stock due to TRH restriction
 - b. Disadvantages
 - i. More administration required for licensed TRH's
 - ii. TRH's could have weekly rental contracts but prorate fee based with shorter actual stay (workaround)
 - iii. Less flexibility for property owners
- 6a. Regulate by Residential and Commercial Zoning Districts— Allow commercially zoned properties to rent under the current city ordinance and allow residential properties to do short-term rentals for a maximum of 180 days out of a 365-day period. Other restrictions could be applied.
- 6b. Regulate by Residential and Commercial Zoning Districts— Allow commercially zoned properties to rent under the current city ordinance and allow residential properties to do short-term rentals for a maximum of 30 days out of a 365-day period unless the owner is present during the time of rental. Other restrictions could be applied.
 - c. Advantages
 - i. This creates less impact in residential areas and promotes this use in commercial areas.
 - ii. Potentially preserves and maintain renter and owner occupied housing
 - iii. Allows some ability to rent a home on a short term basis
 - d. Disadvantage
 - i. Room tax collection goes down
 - ii. Enforcement can be difficult

MUNICIPALITY	# OF PERMITS	UNITS	YEAR ROUND UNITS	# OF NEW PERMITS SINCE 12-13-19	HOTEL	HOTEL UNITS	RESORT	RESORT UNITS	INN	INN UNITS	CONDO	CONDO UNITS	B&B	B&B UNITS	HOMES	HOMES UNITS	OTHER	OTHER UNITS
BAILEY'S HARBOR	104	371	204	3	5	79	3	100	5	30	0	0	2	17	88	121	1	24
BRUSSELS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CLAY BANKS	7	7	0	0	0	0	0	0	0	0	0	0	0	0	7	7	0	0
EGG HARBOR TOWN	119	406	314	7	1	4	2	239	0	0	50	58	2	9	62	75	2	21
EGG HARBOR VILLAGE	69	406	159	0	3	85	4	225	1	10	23	25	0	0	36	59	2	2
EPHRAIM	87	518	201	3	6	132	8	263	2	11	5	2	1	18	65	92	0	0
GIBRALTAR	161	633	355	5	10	314	4	105	3	14	34	49	3	16	106	133	1	2
FORESTVILLE TOWN	2	2	1	0	0	0	0	0	0	0	0	0	0	0	2	2	0	0
FORESTVILLE VILLAGE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
JACKSONPORT	62	157	83	1	1	12	2	72	0	0	7	5	0	0	50	60	2	8
NASEWAUPEE	50	156	109	3	0	0	3	79	0	0	1	1	0	0	46	76	0	0
LIBERTY GROVE	179	479	195	8	6	97	4	156	1	11	6	15	2	5	160	195	0	0
SEVASTOPOL	80	236	150	1	1	16	4	116	1	8	3	0	2	16	69	80	0	0
SISTER BAY VILLAGE	112	581	471	9	5	143	6	269	3	69	33	29	0	0	65	71	0	0
STURGEON BAY CITY	98	789	746	11	10	324	2	224	4	49	6	74	8	36	65	76	3	6
STURGEON BAY TOWN	31	38	18	0	0	0	0	0	0	0	0	0	0	0	31	38	0	0
GARDNER	22	68	47	2	1	16	1	21	0	0	1	2	1	2	17	26	1	1
UNION	6	6	2	1	0	0	0	0	0	0	0	0	0	0	6	6	0	0
WASHINGTON ISLAND	84	226	65	3	6	47	5	59	1	9	0	0	1	4	68	87	3	20
TOTALS	1273	5079	3120	57	55	1269	48	1928	21	211	169	260	22	123	943	1204	15	84

	Permits	%		Units	%
Hotels	55	4.32%	Hotels	1269	24.99%
Resort	48	3.77%	Resort	1928	37.96%
Inn	21	1.65%	Inn	211	4.15%
Condo	169	13.28%	Condo	260	5.12%
B&B	22	1.73%	B&B	123	2.42%
Home	943	74.08%	Home	1204	23.71%
Other	15	1.18%	Other	84	1.65%
	1273	100.00%		5079	100.00%

Permits that utilize Online Marketplace Platforms, owner websites, facebook etc.

Agent managed properties: 353 properties or 28.02%

Plan Commission minutes from January, 2020

Under the C-5 (mixed commercial-residential) zoning, three parking spaces would need to be provided for the commercial use. Based on the site layout, the property owner is unable to provide the parking spaces. The Commission can let the zoning regulations govern the parking requirements or grant a deviation.

Mr. Sullivan-Robinson also stated that in the C-5 district there is a 50/50 ratio between commercial and residential uses. As far as building setbacks, the building is encroaching on most of the setbacks. Stormwater management codes must also be met. A rain garden would be needed. An ADA compliant handicap ramp will run along the front of the house to the existing pedestrian facilities. The Commission can approve the PUD as presented, approve with conditions, or deny it. This would be a recommendation to Council.

Mr. Olejniczak mentioned the changes between the concept plan and the final plan because of the conflict with the transmission lines. But, he thought with Mr. Jahnke's current plan it looked more residential and fits better in the neighborhood.

Mr. Jahnke stated that he would like to have the project completed by spring of 2021. As far as materials, the siding would be maintenance free cementitious plank style siding.

Mr. Olejniczak stated that the alley is 16 feet wide plus a 5-foot setback. He suggested that widening the garage doors may help with turning in and out of the garage.

Mr. Statz would like to see double-hung windows instead of casement. This project will also be reviewed by the Aesthetic Design & Site Plan Review Board.

Public Hearing: Mayor Ward opened the public hearing at 6:26 p.m.


The following citizens spoke in favor of the project, but had concerns of parking and stormwater management: Jeff Tebon, 63 E Oak Street; David Haslam, 155 S Neenah Avenue; Nathan Haslam, 179 N 9th Avenue; and Chris Kellems, 120 Alabama Street.

Architect Dan Meissner stated that stormwater is always a concern and the direction can be controlled.

There was no written correspondence. The public hearing was declared closed at 6:45 p.m.

Consideration of: After a short discussion, it was moved by Ms. Reeths, seconded by Ms. Kiedrowski to vote on this item at this meeting. Motion failed, with Mayor Ward, Ms. Reeths, and Ms. Kiedrowski voting aye and Mr. Holey, Mr. Statz, and Mr. Norland voting no. (Must have unanimous vote to pass.)

This item will come back to a future meeting.

 **Consideration of: Tourist Rooming House regulations:** Mr. Olejniczak stated that this has been brought back from the December meeting where the Commission asked for a clarification of a number of items regarding the way the City regulates short-term rentals.

Various information from the City Attorney was received, as well as from staff. The City Attorney advised against grandfathering existing licensed tourist rooming houses if the City elects to prohibit short-term rentals of 6 days or fewer. He also advised not setting a cap on the number of licenses for 7 days or longer. Under 7-day rental periods would run into equal protection concerns. Also, enforcing a 7-day rental period would be very difficult and intrusive if they only wanted to rent for 2 days.

Mr. Olejniczak offered different options regarding the regulations. Things could be left as they are being regulated currently. More regulations could be added, such as stronger parking requirements, occupancy limitations, insurance requirements, etc. There is also the Madison approach where just a room is rented out and not the whole house. Rentals without the owners present would be limited to 30 days in a year if you would rent for less than a 7 day period. Another option is weekly rental only. A further option is the maximum restriction where you have to rent for 7 days or longer and only for 180 days in a calendar year. You can also just regulate by zoning district.

Mr. Sullivan-Robinson added that out of the approximate 50 current tourist rooming house permits, only three of the owners live in part of the house that they are renting. The other 47 rent out the whole house. He discussed the charts provided by the Door County Tourism Zone relating to lodging types.

Ms. Reeths stated that for the safety of the people that rent the TRH and the people that own them, she wondered if it could be added that the fire department inspect them once a year. Mr. Sullivan-Robinson responded that the Fire Dept. does not inspect residential properties, so this would be a new territory.

Mr. Sullivan-Robinson stated that new permits are decreasing, renewal permits are rising, and discontinued permits are rising.

Ms. Kiedrowski and Mr. Holey agreed that with no issues that this should be passed on for now and reviewed again in a couple of years.

Ms. Reeths said in defense of families, they shouldn't be restricted from having a 2-day vacation.

Mr. Statz there are problems all over the world with this. It is causing a shortage of housing around the area. It will eventually work its way through. The only thing that could potentially make sense is regulate by zoning and allow it throughout the City and put the 180 day maximum rental in residential areas.

Mr. Norland agreed with Mr. Statz, but thought that it could be combined with the Madison approach.

Mr. Sullivan-Robinson will obtain information on how many days a year units are rented.

Mayor Ward said this item is not ready to be acted upon.

Comprehensive Plan Update: Mr. Olejniczak referred to a memo and map from Vandewalle & Associates regarding focus areas that should be included in the Comprehensive Plan. Members were asked to indicate three of the proposed areas that they felt should include more detailed concept plans.

It was the consensus of the members that the Downtown area and Downtown/West Waterfront were two of the top areas for more detail, followed by Egg Harbor Road from the former Hardees building to the former K-Mart building, and West Boatworks focusing on the Sturgeon Bay Yacht Club and the E Dock.

In addition, Ms. Reeths talked about expanding the Industrial Park to fit in the Clay Banks Road area.

Mr. Norland added that a traffic problem is the issue at the intersection of Clay Banks Road and the highway. The intersection needs to be improved and then decide what to do.

Mr. Olejniczak will provide the feedback from the members to Vandewalle & Associates.

Mr. Olejniczak stated that the Community Survey was closed on January 10th. There were 197 responses. There were many comments given from what people like about Sturgeon Bay to what they feel is needed. Complete results were emailed to the members. Vandewalle & Associates plan on holding another community workshop in February.

Public comment on non-agenda Plan Commission related items: Jennifer Bacon, 728 Georgia Street, commended the Commission and stated that the members were very civil.

Adjourn: Moved by Ms. Reeths, seconded by Mr. Norland to adjourn. All ayes. Carried. Meeting adjourned at 7:41 p.m.

Respectfully Submitted,
Cheryl Nault
Community Development Secretary

MEMORANDUM

To: Marty Olejniczak
From: James M. Kalny *gmk*
Date: January 10, 2020
Subject: Rooming House Regulation Questions

Recently you posed several questions regarding the nature and extent of the regulations of rooming houses to the extent permitted under § 66.1014 Wis. Stats. Each question you list is stated in bold and followed by my analysis and opinion.

Please let me know of any questions.

1a. If the City elects to prohibit short-term rentals of 6 days or fewer, can existing licensed tourist rooming houses be grandfathered?

I would advise against it. This is not a zoning ordinance; it is a police regulation. Justice Abrahamson, analyzed the difference between the types of regulations in the case of *Zwiefelhofer v. Town of Cooks Valley*, 2012 WI 7, 338 Wis.2d 488 (809 N.W.2d 362). The case involved the efforts of a Town to prohibit a frac-sand quarry. Cooks Valley had enacted what it phrased a zoning regulation that created essentially a conditional use type review for frac sand mines. Unfortunately, Cooks Valley is in a county-wide zoning county and the town had failed to forward the zoning regulation to the county for approval. As the regulation was never approved at the county level, it could not be enforced as a zoning provision. With that background, Justice Abrahamson analyzed the difference between zoning regulations (subject to grandfathering) and police regulations (not subject grandfathering). The Court used six points in its analysis:

1. Zoning ordinances typically divide a geographic area into multiple zones or districts.

2. Within the established districts or zones, certain uses are typically allowed as of right and certain uses are prohibited by virtue of not being included in the list of permissive uses for a district.
3. Zoning ordinances are traditionally aimed at directly controlling where a use takes place, as opposed to how it takes place.
4. Zoning ordinances traditionally classify uses in general terms and attempt to comprehensively address all possible uses in the geographic area,
5. Traditionally, though not always, zoning ordinances make a fixed, forward-looking determination about what uses will be permitted, as opposed to case-by-case, ad hoc determinations of what individual landowners will be allowed to do.
6. Traditional zoning ordinances allow certain landowners whose land use was legal prior to the adoption of the zoning ordinance to maintain their land use despite its failure to conform to the zoning ordinance.

Applying these rules to the tourist rooming house provision, the better conclusion is that the Sturgeon Bay ordinance regarding tourist rooming houses is a police regulation.

1. The tourist rooming house ordinance does not apply to a specific district, but applies City wide - the purpose of the ordinance is not a division of land to permit a certain use, but is instead a regulation on how certain uses must operate.
2. The tourist rooming house ordinance is not part of a list of allowed uses within a zone - it is not in the nature of a regulation of a use in a particular zone. It does not serve to prohibit or permit any use, only regulate it.
3. The tourist rooming house regulations go to how the use takes place, not where.
4. The tourist room regulations to not serve to comprehensively lay out allowed uses in a particular area.
5. The tourist rooming regulations do not make a fixed determination of property use within a certain area.
6. Point 6 of Justice Abramson's analysis was not given much consideration by that court because the Cooks Valley ordinance specifically provided for grandfathering. Justice Abrahamson simply observed nothing in the law prohibits a municipality from grandfathering licensed uses (as noted below however that observation is misleading in the context of our analysis).

As further evidence of the police/licensing nature of municipal tourist rooming house regulation in Wisconsin, note that the statute that enables municipal regulation of tourist rooming houses limits the City's right to regulate to requiring a license (see Wis. Stat. § 66.1014 (2)(d)2).

Also the notion of grandfathering does not work well with the type of regulation we have in place. Grandfathering allows the existing use to continue to permit the licensee to recoup investments caused by the initial regulations. The regulations regarding limitations on duration of rentals did not cause investment or alteration to the structures that needs to be protected. The 50% rule would not apply in this case as the ability of the City to regulate at all is limited prohibiting rental of such establishments, not placing requirements on the use per se. Likewise, the one-year cessation of operation is not applicable. If a licensee wanted to stop operating for a year or two, the City would not be in a position to prohibit a later application.

What the state left the City to regulate is, under current law, a police/licensing matter not a zoning matter. Consequently, traditional notions of grandfathering are not applicable in this case. The license is good for the set period so long as the licensee stays in compliance. There is no duty to grandfather in this case.

However, contrary to what Justice Abrahamson implied, it does not necessarily follow that those currently operating without a 6-day limitation can be grandfathered. Grandfathering the existing licensees would create a classification within the law. In essence the grandfathered licensees would have a more advantageous right to use their license than subsequent applicants as they could do one day rentals. When a law creates a classification between similarly situated individuals, equal protection issues arise. Wisconsin uses a five-fold test for reviewing equal protection challenges to classificatory schemes found in *Omernik v. State*, 64 Wis. 2d 6, (19, 218 N.W. 2d 734, 1974):

- (1) All classification must be based upon substantial distinctions;
- (2) the classification must be germane to the purpose of the law;
- (3) the classification must not be based on existing circumstances only;
- (4) and law must apply equally to each member of the class;
- and (5) the characteristics of each class should be so far different from those of other classes as to reasonably suggest the propriety of substantially different legislation.

In my opinion, grandfathering the existing businesses runs afoul of items 3 and 5 of the test above. In making this analysis, the case of *State ex. rel. Grand Bazaar Liquors Inc. v. City of Milwaukee*, 105 Wis.2d, 203 N.W.2d 805 (1982) is instructive. In that case the City sought to require that only those businesses whose monthly gross receipts are more than 50% liquor sales would be allowed to have a liquor license. The law went on to grandfather existing businesses. As to item 3 the court held:

. . . Unless a statute is curative or remedial, and therefore temporary, the classification must not be based on existing conditions only, but provision must be made for future acquisitions to the class as other subjects acquire the characteristics which form the basis of the classification. This principle is of considerable importance when attempts are made to draw distinctions based on

time, putting in one class all the instances existing on a designated date, and placing all others in another class. Under certain circumstances, where such a procedure would discriminate unwarrantably in favor of establishments, things or persons existing, or engaged in particular occupations on a given date, the courts have held that the classification is in denial of the equal protection of the laws.

Grand Bazaar Liquors, 105 Wis.2d at 216-17.

As to item 5 the Grand Bazaar Court held:

Part (5) of the Omernik test requires that the characteristics of each class should be so far different to reasonably suggest the propriety of substantially different legislation. The grandfather clause establishes two separate classes who's only distinguishing feature is whether they sold liquor before or after June 30, 1977. We cannot conclude that these two classes are "so far different" from one another as to reasonably suggest the propriety of substantially different legislation.

Id. at 217.

In my opinion grandfathering the existing licensees now would discriminate unwarrantably in favor of establishments that have the license in a circumstance where the two classes created by the ordinance are not significantly different. Consequently, I recommend against grandfathering existing licensee's.

1b. If yes, would their grandfathered status continue after the one-year initial license or two-year renewal license expires? In other words, is the use grandfathered or just the current license?

See above. Whatever time is set, there is an undue advantage to the current licensees that provides them an advantage to others similarly situated.

Please note however, as this is a police regulation, in my opinion you would prohibit rentals under 7 days as allowed by law as grandfathering would not apply to these licenses.

2. Can the City put a cap on the number of licenses granted?

This could be equal to the number of existing licenses granted, but not necessarily. They might decide to pick a certain number of licenses that the City can support without impacting permanent housing or causing other problems. Once the cap limit is met, no more licenses would be issued except that, if any existing license is subsequently not renewed, a new tourist rooming house license could be issued to replace it.

The cap on the number of licenses for the uses permitted under the statute could effectively prohibit the operation of a tourist rooming house once the license quota has been met. Wis. Stat. § 66.1014. Limits on residential dwelling rental prohibited, provides in relevant part:

(2)

(a) Subject par. (d), a political subdivision may not enact or enforce an ordinance that prohibits the rental of a residential dwelling for 7 consecutive days or longer.

(b) If a political subdivision has in effect on September 23, 2017, an ordinance that is inconsistent with par. (a) or (d), the ordinance does not apply and may not be enforced.

(c) Nothing in this subsection limits the authority of a political subdivision to enact an ordinance regulating the rental of a residential dwelling in a manner that is not inconsistent with the provisions of pars. (a) and (d).

(d) 1. If a residential dwelling is rented for periods of more than 6 but fewer than 29 consecutive days, a political subdivision may limit the total number of days within any consecutive 365-day period that the dwelling may be rented to no fewer than 180 days. The political subdivision may not specify the period of time during which the residential dwelling may be rented, but the political subdivision may require that the maximum number of allowable rental days within a 365-day period must run consecutively. A person who rents the person's residential dwelling shall notify the clerk of the political subdivision in writing when the first rental within a 365-day period begins.

2. Any person who maintains, manages, or operates a short-term rental, as defined in Wis. Stat. § 66.0615 (1) (dk), for more than 10 nights each year, shall do all of the following:

a. Obtain from the department of agriculture, trade and consumer protection a license as a tourist rooming house, as defined in s. 97.01 (15k).

b. Obtain from a political subdivision a license for conducting such activities, if a political subdivision enacts an ordinance requiring such a person to obtain a license.

In my opinion, 1(a) does not permit a municipality to take any action that would prohibit the use of residential property as specifically allowed by the statute. The statute grants residential property owners the right to use their housing units as tourist rooming houses for periods of more than 6 but fewer than 29 consecutive days for up to 180 days a year (those days may be required to run consecutively if the City wishes). The language that allows political subdivisions to enact regulations specifically states the regulations cannot be inconsistent with the mandates of the statute. If a quota were set and a residential property owner applied for a license to do what the statute allows and was denied licensure because the quota had been filled, enforcing that ordinance would be directly contrary to the use of property permitted in and protected by the statute.

That being said, the statute specifically allows regulation of rentals under 7-day duration. If the City were to set a quota on those allowed to rent under 7 days, there is no direct conflict with the operation of the statute and the analysis turns to a question of equal protection and application of the law. However, with regard to the quota on 7 day rentals, equal protection issues are evident. If we said existing or a set number of establishments could continue the less than 7 day rentals, the City would be creating a classification of the licensees. Through that classification the law would give one class of licensee a considerable advantage over the other simply because of when they happened to get their license. Otherwise similarly situated licensees would be treated differently under the law. In my opinion that would be a violation of the equal protection clause and therefore not advisable.

3. One concern about limiting tourist rooming houses to 7-day rental periods or longer is enforcement. We believe TRH managers could simply use 7-day rental agreements and prorate the rental rate for guests who only want to stay for 1 to 6 days. As long as the unit is only rented to one person/entity per week, the arrangement presumably would not violate the code. Do you agree? I guess that as long as the unit is rented no more than 52 times in a year, the intent of the limitation is arguably met.

I agree that the rule, as stated in the statute, is difficult to enforce. If the intent was to limit occupancy of less than 6 days, the statute should have been drafted in those terms. It was not. It drafted in terms of the rental period. If a licensee rents on a weekly (7-day minimum basis) it is entirely possible that a renter may only occupy the unit for a portion of that time. The more limited use of the rental does not violate the statute so long as the rental agreement is set in terms of 7 or more days' duration. The statute does not prohibit a low weekly rental that could be set to attract weekend occupants.

If the City were intent in trying to impose the 6 or less prohibition, I would recommend that our ordinance speak in terms of minimum occupancy. I think that type of provision would be legally defensible as consistent, but more restrictive with the state legislation and therefore within home rule authority. However, this type of regulation would be extremely difficult to enforce and still easy to abuse or defend.

Conclusions:

In my opinion:

1. If the City grandfathered the existing licenses the classification created by that legislation would be in violation of the equal protection clause.
2. As the regulation of tourist rooming houses as permitted by the state is in the nature of licensure, not zoning, and as there is no serious argument that there is a vested interest in the right to rentals of less than 7 days, the City could impose the less than 7 days' provision across the board.

3. Setting a cap on the rooming house licensees renting for more than 6 days would be contrary to the express authorization of the statute any municipal action that contravenes that authorization is preempted by the state law.
4. Setting a cap on the number of licenses for less than 7-day rentals would result in some licensees having the ability to do the shorter rentals while others would be prohibited from so doing. Consequently, setting that cap would violate of equal protection.
5. Enforcing the less than 7-day rental provision is very difficult and intrusive. While legal it would be difficult to accomplish effectively and evenhandedly.

Village of Egg Harbor

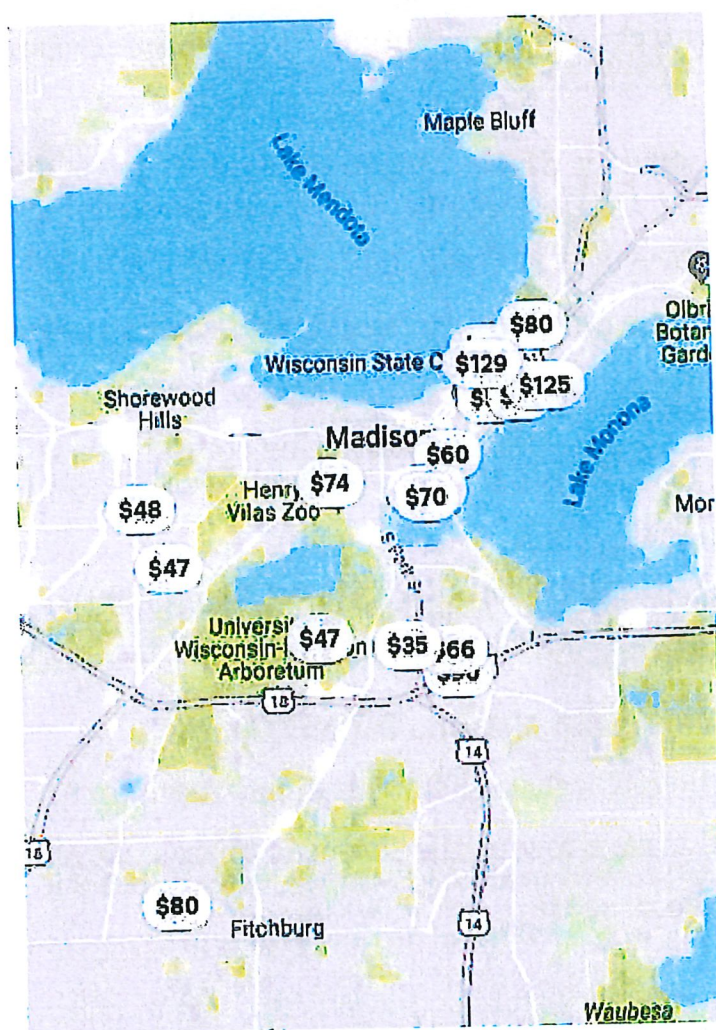
Tourist Rooming Houses (Short Term Rentals) Regulation – as recommended by the Village Plan Commission

- A) Tourist Rooming Houses (Short Term Rentals) shall be subject to the following:
- a) Facilities shall be licensed by the State Department of Agriculture, Trade, and Consumer Protection, the Village of Egg Harbor, and the Door County Tourism Zone Commission.
 - i) Tourist Rooming Houses (Short Term Rentals) shall obtain a Village business license pursuant to Chapter 112 Business Licenses of the Village of Egg Harbor Municipal Code.
 - b) The owner/operator must reside within 75 miles of the tourist rooming house during periods in which the tourist rooming house is rented.
 - i) This requirement may be waived if there is a valid Resident Agent located within 25 miles of the Village of Egg Harbor, in such a case, the owner/operator shall provide a copy of the Resident Agent contract to the Village and notify the Village within 30 days of termination of any such contract.
 - ii) To qualify as a Resident Agent the representative must reside within a 25 mile radius of the Village of Egg Harbor or be a corporate entity with offices located within a 25 mile radius of the Village of Egg Harbor.
 - c) The number of occupants in any dwelling unit shall not exceed the limits set forth in the Wisconsin Admin. Code ATCP 72.14 for hotels, motels, and tourist rooming houses.
 - d) No recreational vehicles (RVs, campers, tents, or other temporary lodging arrangement) shall be permitted on site as a means of providing additional accommodations for paying guests or other invitees.
 - e) Any outdoor event or activities shall follow § 96.02 Loud and Unnecessary Noise Prohibited of the Village of Egg Harbor Municipal Code.
 - f) Trash containers for pick up should not be allowed on the street prior to noon the day before pick up and should be taken off the street by no later than noon the day after pick up.
 - g) The property owner shall have and maintain homeowner's liability or business liability insurance for the premises that are used for short term rental and shall provide written evidence of such insurance with the business license application and renewal application forms.

https://madison.com/ct/news/local/govt-and-politics/short-term-rental-hosts-would-have-more-rules-under-proposed/article_12b3b7a5-fdec-5f7d-a1d9-2ce8969a3a5e.html

Short-term rental hosts would have more rules under proposed ordinance

Abigail Becker | The Capital Times
Jan 5, 2020



A screenshot of Airbnb listings in Madison.

ABIGAIL BECKER

A proposed ordinance change would centralize requirements to operate tourist rooming houses — such as Airbnb rentals — through an annual permit process.

Short-term rentals through companies like Airbnb and VRBO are legal in Wisconsin, but hosts in Dane County are required to be licensed through Public Health Madison & Dane County, be inspected annually and pay a nightly room tax.

Over the past four years, the number of licensed tourist rooming houses has jumped from 25 to 244, said Doug Voegeli, the director of the public health department's environmental health division. But city staff have also experienced challenges enforcing the regulations required to operate legal tourist rooming houses.

“While we’re getting good compliance on our licenses, that doesn’t always translate to good compliance on the room tax or zoning,” Voegeli said.

Hosts can also be confused over which regulations apply to them and which agency is responsible.

The ordinance, which will be introduced at the City Council's Tuesday, Jan. 7 meeting, would require those operating tourist rooming houses to obtain an annual \$100 permit from the city and submit documentation confirming compliance with the city's other regulations. These include:

- A signed and notarized affidavit stipulating that the tourist rooming house is the operators' primary residence
- A license from Public Health Madison & Dane County
- Registration with the city treasurer's office to pay room tax
- If a renter, a signed lease allowing the renter to operate a tourist rooming house
- Floor plans of the rental space
- A guest registry
- Phone numbers and email addresses for the property owner and tourist rooming house operator
- Annual updates of this information by the hosts

Voegeli said the new permit process would address three city agencies at once, creating a “one-stop shop.”

“It will streamline it for people that want to start offering the service,” Voegeli said.

Voegeli said his department can respond to concerns of health and safety but has not been able to address issues such as parking, disruptive parties or guests staying longer than the maximum of 30 days.

“The new ordinance that is being put forward is going to require that these tourist rooming home operators meet with Zoning and discuss right up front that, hey, these are the requirements and you’ve got to follow this in order to be a tourist rooming house in Madison,” Voegeli said.

The ordinance would also require that a tourist rooming house be open for inspection by city staff with at least 48 hours prior written notice. If the city has probable cause that the ordinance is being violated, an inspection could occur at other times.

Also, tourist rooming house operators would be required to provide the city's zoning administrator with quarterly reports identifying guests, dates of stay, length of stay, guest license plate numbers, whether the operator was present or absent during a guest's stay, and a list of all websites and places where the operator has advertised.

Failure to submit two reports would result in automatic revocation of a permit, according to the ordinance.

Share your opinion on this topic by sending a letter to the editor to tctvoice@madison.com. Include your full name, hometown and phone number. Your name and town will be published. The phone number is for verification purposes only. Please keep your letter to 250 words or less.

Abigail Becker

Abigail Becker joined The Capital Times in 2016, where she primarily covers city and county government. She previously worked for the Wisconsin Center for Investigative Journalism and the Wisconsin State Journal.



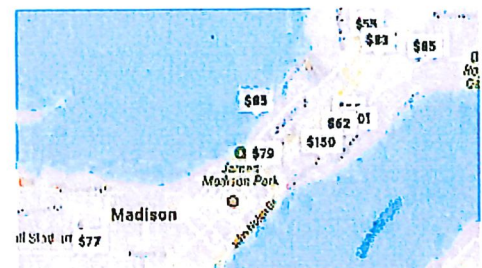
Abigail Becker | The Capital Times

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Related to this story

How do Wisconsin municipalities collect taxes from Airbnb and other home rental companies?

Sep 11, 2018



Nault, Cheryl

From: Patrice Sebastian <psebc@msn.com>
Sent: Tuesday, March 17, 2020 4:16 PM
To: Nault, Cheryl; Sullivan-Robinson, Christopher
Subject: Short Term Rentals Letter of Support

Dear Sturgeon Bay Plan Commission,

Due to "social distancing" recommendations, I unfortunately, will not be attending the meeting this evening. However, as a short-term rental host in the R-2 District, I am a strong advocate for maintaining the current regulations and permit requirements. My neighbors approve of my home sharing, and my guests over the last four years, have been very respectful as well as entranced with Sturgeon Bay. Having had one seven-night stay over the last four years, limiting stays to a seven-night minimum, will kill my business. My guests are almost always one couple, and rent my entire one bedroom home for two or three nights on a weekend.

With "Destination Sturgeon Bay" taking off and embracing tourism, there is much opportunity for all of Sturgeon Bay to benefit. Regulating consumer preference is counter-productive to a thriving community.

Thank you for this consideration!

Sincerely,
Patrice Sebastian



SEBASTIAN'S
Fine Food & Spirits
www.sebastiansonline.com

Patrice Sebastian

psebc@msn.com
920-495-0813

Nault, Cheryl

From: Hilcoux LLC <hilcoux@gmail.com>
Sent: Tuesday, March 17, 2020 9:00 AM
To: Nault, Cheryl; Sullivan-Robinson, Christopher
Subject: STR's

Good Morning,

We had planned on coming to the meeting on Wednesday evening, however given the current COVID 19 issues, a letter will have to represent us instead.

We are am writing to voice out opposition to the proposed Tourist Rooming House Regulations, to include a 7 day minimum stay, 180 day maximum Annual occupancy.

My partners and I own a home in District 1 that we have just remodeled and have started using as an STR. Our choice to do so comes from a desire to keep a family home in "the family" and honor our fathers wishes.

Using this home as a short term rental is the best way we feel that we can do this, while still offering our home to visiting family on occasion. This allows us to recover our cost to refurbish, help pay property taxes & utilities, while continuing to improve and update the property.

We find it interesting, (and maybe we are misinformed), that one of the suggestions for the 7 day minimum / 180 day maximum regulation, comes from someone who actually operates STR's in Sturgeon Bay in Commercial Zones, so this person will not be affected by the proposed rule, except to profit from it, this is a huge conflict of interest and this person should not be allowed to be on a committee regarding this issue.

Also, we really don't understand the driving force behind the restrictions. Are these being considered in an attempt to fill overpriced hotel rooms, thus stacking the deck (so to speak) for big business vs small business?

We feel that with the restrictions, you will be collecting less tax from us.

In addition, certain people that might otherwise be willing to come visit while sharing the cost (making it more affordable) and may prefer to share a home rather than staying in separate rooms in a hotel while on vacation, may not be willing to come into our beautiful community due to lodging costs.

Allowing them affordable options of STRs, allows them to enjoy our beautiful city/county and enables them to spend their money in a broader way throughout the city & county, in turn, helping all businesses.

Please help us to understand the entire motivation behind these restrictions, something does not add up here.

Many Thanks,

Cyndi Hilsabeck

Hilcoux, LLC
1337 Superior Street
Sturgeon Bay, WI 54235

Carla Maccoux: 920-495-9218
Phillip Maccoux: 920-495-9219
Mark Hilsabeck: 920-493-1663
Cyndi Hilsabeck: 920-493-0603



3/9/2020

Dear Sturgeon Bay City Plan Commissioners and Mayor,

I am writing you today, because of my concern for restrictions that may be implemented on short-term rental owners in the city Sturgeon Bay. My husband and I started renting our home in the fall of 2018. We currently rent from May to October, and the remaining of the year we live in it ourselves. We stay with family while we rent, or camp out in Door County and we are putting money back into the county.

We decided to rent our home because we are saving funds to build a home on property we purchased in Sturgeon Bay. Without our short-term rental income, this would be impossible for us to do. I'm sure many of the STR's rely on that income as well.

With an implementation of a 7-night minimum our STR would become obsolete. There just aren't that many vacationers out there that can always do that length of stay. We operate on a 3-night minimum, and on shoulder seasons such as September we will do a 2 night minimum.

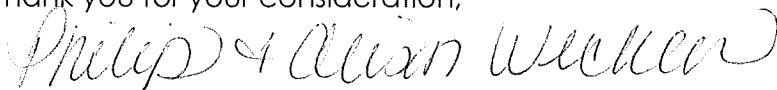
We are very strict on the way we run our STR. We follow all safety guidelines as well as we will only allow a max number of guests dependent upon the number of beds in the home. We make sure our guests will only have a certain number of vehicles as well as that quiet time in Sturgeon Bay is 10pm.

Since we started, we have had all positive reviews from all of our guests. Our neighbors had no complaints, and probably didn't even notice we weren't there.

I understand there is concern for these homes that they are taking away from the housing market. I don't see how a 7 night minimum will help the housing market? If anything, you will be turning away potential income to the county from tourists that can't take a 7 night vacation. It seems to me the majority of people today are renting and not as many are buying.

I think it's a good idea to have guidelines in place for STR's like perhaps a 2 night minimum is not too much to ask. I don't feel that the number of STR's in Sturgeon Bay has negatively affected it in any way.

Thank you for your consideration,



Philip & Alison Weckler

Door Count Home Away From Home

220 South Hudson Ave

Sturgeon Bay, WI 54235

920-495-1105

Nault, Cheryl

From: Alisa Landman <alisalandman@icloud.com>
Sent: Monday, March 16, 2020 6:32 PM
To: Sullivan-Robinson, Christopher; Nault, Cheryl
Subject: Plan Commission March 18

Hi Chris and Cheryl,

I have been practicing social distancing in light of COVID-19 and will not attend Wednesday's meeting of the Plan Commission. Will you please make sure that the members of the Plan Commission hear this at the meeting? Thank you, in advance.

Dear Mayor Ward, Alds Reeths and Hayes, Mr. Holey, Mr. Norland, Mr. Statz and Ms. Kiedrowski,

I live at 330 N. Joliet Avenue. My vacation rentals are Lily Pad Cottage (324 N. Joliet) next door, and Eagle View Suite, apartment located upstairs from my apartment at 330 N. Joliet Avenue.

It seems to me that this is competition driven, rather than complaint driven issue. If there aren't any complaints received by either the City or the Sturgeon Bay Police, then there shouldn't be any changes to the TRH ordinance.

Regarding depletion of housing stock, it is not just vacation rentals that are depleting housing stock. I know that around 5th and 6th Avenues between Kentucky and Louisiana, approximately half a dozen homes are owned by people who only use the homes a fraction of the year, therefore leaving them unoccupied for a majority of the year.

The Madison approach is counter to families being able to afford to travel. Vacation rentals are ideal for families who cannot afford 2 or 3 hotel rooms and would prefer to not share a home with a stranger. Furthermore, disallowing rentals without owners present in the home may force owners to sell if they are limited to 30 days of rental in a year. Some of these homes have been owned by Door County families for generations, and this is how they manage to pay their taxes or mortgages.

The majority of my guests stay 3 to 5 days, so a 7 day stay is not realistic. The minimum 7 day stay with 180 maximum rental per year again, doesn't meet the needs of many travelers and would cripple rather than limit TRHs. In fact, demanding 7 day vacation stays has nothing to do with increasing housing stock, it just presumably, but not necessarily, makes things better for other types of lodging establishments. Furthermore, the suggestion to regulate by zoning areas could be a conflict of interest if the individual's vacation rentals are commercially zoned and wouldn't be affected limited by zoning restrictions.

Ergo, if this is a competition driven issue, then really, it is a marketing issue. As far as housing stock, there are other programs being put into place that with time, will alleviate the housing shortage.

Finally, if new permits are decreasing, and discontinued permits are rising, then this whole discussion on placing more restrictions in the TRH ordinance may be moot. The short term vacation rental market is leveling off, on its own.

Regards,

Alisa Landman

Nault, Cheryl

From: John Hermanson <gliding99@gmail.com>
Sent: Monday, March 16, 2020 10:18 PM
To: Sullivan-Robinson, Christopher; Nault, Cheryl
Subject: Plan Commission March 18

Greetings Chris and Cheryl,

Plan Commission Members and Mayor David Ward-

March 16, 2020

Regarding revisiting STR properties and further managing them with a change in the city's ordinance does not seem to get at the heart of trying to fix a housing shortage or necessarily help traditional vacation lodging.

It seems that the cat is out of the bag and consumers want STR when it fits their needs better. They will go where they can find this type of lodging further up the Peninsula or other communities outside NE Wisconsin. Tourist room taxes help the community's fiscal needs.

We purchased our property at 948 Memorial Dr and spent more than twice as much as we purchased the house for to renovate it therefore helping to increase Sturgeon Bays tax base. The house had remained for sale for a couple years before we bought it. I have a friend that had seriously looked at the property but decided that it would be too expensive to renovate it. We did and tried to be sensitive to the character of the existing neighborhood. We did have a neighbor that when they found out we were going to have STR guests were initially quite upset. They have since stated that, "Your boarders have been uniformly quiet and orderly." In part this happens since we live where folks stay and the AirBnB type system encourages respectful guests. People know they are staying in our home and respect it as such.

While I appreciate your difficult task to nurture the best balance possible of community needs and desires it seems that STRs have found an equilibrium in numbers we can all live with. The current ordinance is best left alone.

Thankyou for your concerns and diligent consideration on this and other issues and opportunities of Sturgeon Bay.

John Hermanson
948 Memorial Dr.
Sturgeon Bay, WI. 54235
920-615-5978

Nault, Cheryl

From: Sullivan-Robinson, Christopher
Sent: Tuesday, March 17, 2020 8:45 AM
To: Nault, Cheryl
Subject: FW: Str rentals in Sturgeon Bay

FYI

From: Bonny Schinkten <bonnyschinkten@hotmail.com>
Sent: Tuesday, March 17, 2020 8:42 AM
To: Sullivan-Robinson, Christopher <csullivan-robinson@sturgeonbaywi.org>
Subject: Fwd: Str rentals in Sturgeon Bay

Sent from my iPad

Begin forwarded message:

From: Bonny Schinkten <bonnyschinkten@hotmail.com>
Date: March 17, 2020 at 8:38:19 AM CDT
To: "csullivan-robinson@sturgeonbaywi.org" <csullivan-robinson@sturgeonbaywi.org>
Subject: Fwd: Str rentals in Sturgeon Bay

Date: March 16, 2020 at 8:05:43 PM CDT
To: "Bonny Schinkten" <bonnyschinkten@hotmail.com>
Subject: RE: Str rentals in Sturgeon Bay

Good Morning Chris please share this letter with the board and Cheryl Nault as we discussed yesterday.
Thanks
Bonny

Hello

After attending most Planning Commission meetings addressing how Short-Term Rentals (STRs) fit into the City of Sturgeon Bay's I remain puzzled by the reasoning behind proposals to limit STRs to 180 days of operation per year and

enforce a 7-night minimum length of stay. At first blush, these restrictions may strike some people as a compromise between two diametrically opposed policies, e.g., banning STRs entirely or letting them continue to operate in accordance with market forces. However, the reality is that the proposed policy is, in fact, tantamount to prohibiting STRs. That's because:

- Requiring a 7-day minimum stay does not comport with occupancy patterns for in-town properties. My experience, echoed by my fellow hosts, is that guests typically rent for 2-3 nights.
- The 180-day limit forces properties into vacancy for half the year, which then makes STRs untenable as a real estate proposition. It's not realistic to presume that STR owners can find tenants willing to sign 5-6 month leases during the off-season;

What seems inevitable is that STRs will be withdrawn from the market as permits expire, to the detriment of both the hosts and tourist-dependent businesses.

At the previous public meetings, the arguments in favor of imposing these limitations have all been flawed.

- Impact on Other Lodging Properties - Losing the STRs will diminish Sturgeon Bay's competitiveness for overnight stays and thus reduce the economic benefits offered by tourism. The STR experience is not the same as staying in a hotel, motel or B&B; it's a different lodging product altogether. STRs enable people to spend time with friends and family in a homey setting with indoor and outdoor places to socialize. Many travelers prefer it to spending time in hotel rooms and paying for amenities, like pools, they seldom use. STRs are the fastest growing sector of the lodging industry. The market has spoken.

Consequently, reducing the number of STRs won't translate to higher occupancy rates elsewhere in Sturgeon Bay, despite the fervent hopes of the hoteliers seeking this advantage. Instead, that traffic will be driven to other communities in Door County and beyond that have chosen to embrace STRs.

- Impact on Availability of Affordable Housing – A quick glance at the Sturgeon Bay listings associated with any of the STR platforms reveals that most of the properties were never part of the city's affordable housing stock. Moreover, STR owners typically invested in their properties to increase their attractiveness; should they be returned to the market, most will command rents/sales prices beyond what is considered affordable for our area. Affordable housing is a genuine issue, but limiting STRs isn't the solution. And let me point out I did not pay an a lot for my homeI did not inherit it.... The fact is a house at 84,000 is out of reach for anyone seeking affordable housing. The payments would be over 1200 dollars a month with taxes. So forcing these houses back into the Market will not help low income housing.....they could have bought my home but didn't. Why? Not because I had a corner on the market, (I entered the same Market they did.....)but because they didn't want to put the time and Money into it..... And it was not affordable.
- Vehicle for “Leveling” the Regulatory Playing Field – Like all lodging types, STRs are subject to a complement of existing local and state regulations, including annual inspections. All businesses must determine whether their ideas are feasible, a calculus that encompasses a wide range of factors, from initial investment to market demand to the various costs of doing business, including regulatory compliance. If STRs should be regulated differently, then there are other vehicles for remedying those issues through the appropriate legislative body or public agency... adjusting their ability to generate revenues as a proxy is completely inappropriate.

In general, it is not the place of the local government to enact ordinances explicitly designed to manipulate one use's bottom line to benefit another's. That's picking winners and losers, not watching out for the public's interest.

And it's not clear that the public thinks STRs impede its interests: other than one self-interested hotelier, there have been no complaints. So why intervene at all, let alone in drastic and draconian ways that will harm both the STR operators and the City's tourism economy.

Although the limits under consideration are allowed by the state, they are not obligatory. The most appropriate action the Plan Commission can take right now is to table the matter.

Thank you for your time.

To:

Chris Sullivan
Sturgeon Bay Planning Committee

I am writing to you to communicate my thoughts on possible changes to STRs in Sturgeon Bay. I bought a home in Sturgeon Bay in 2017, specifically to be used as a STR to supplement my Social Security, as well as to reconnect with a town that I grew up in. I also wanted to have a place to stay when I came back "home".

I have followed all licensure rules and have worked hard to provide a good quality product to my guests and to Sturgeon Bay and Door County. I personally have spent more than \$80,000 (all locally) to fix and repair a very cute home that the previous owner had grossly neglected.

I want to give you some specifics on my property at 942 N. Duluth Ave.

In the year 2019, I rented for 211 nights. I had 60 guests renting those 211 nights. Of those guests, only 3 rented for 7 nights or more. One guest rented for 7 nights, one guest for 8 nights and one for 9 nights. The majority were 2 night stays (24), 13 were 3 night stays, 6 were 4 night stays, 8 were 5 night stays, and 7 were 6 night stays. So clearly if STR's are limited to 7 nights, not only would I be significantly impacted, but so would Sturgeon Bay, Door County and Wisconsin. I paid \$5164.97 in taxes over and above the property taxes that I have paid.

I paid over \$35,000 in salaries for housekeeping, handyman, services and local management. I believe that I did very well in supporting local industries and business.

Had Lake Michigan water not been so high, I would have rented for a total of 251 nights. I had several cancellations

My guests bring lots of money to Sturgeon Bay. They purchase products, they buy groceries, they buy from local wineries, they eat in restaurants and they enjoy the beauty that is present in Sturgeon Bay and Door County. My guests do not come and stay put in the house. They spend lots of money.

If the restrictions occur that is currently being discussed, I will not be able to stay in business. Maybe someone else will buy my home and continue to support Sturgeon Bay economy like I have but there are no guarantees.

With the current coronavirus pandemic that we are facing, having a STR is much safer than hotels and motels, etc. We STR owners may end up being what will hold the tourist economy together not only in Sturgeon Bay, but Door County. Our guests don't have to fear gatherings.

Please rethink restrictions on STRs.

Sincerely,

Cheryl Link