



CITY COUNCIL WORK SESSION

Monday, October 28, 2024 at 6:00 PM

Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

MINUTES

1. CALL TO ORDER

This meeting was called to order by President Stechmesser at 6:00 PM.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL BY CITY CLERK

Councilmembers: Mark Bittner, Doug Brandt, Shannon Derby, Bill LeClair, Darla LeClair, Tim Petri, Bonnie Shimulunas, Scott Stechmesser. Absent and Excused: Adam Wachowski (arrived at 6:19 PM)

Also Present: Joe Metzen, Tourism Director; Mike Mathis, Parks & Recreation Director (arrived at 7:44 PM); Matt Heckenlaible, Public Works Director; Ben Meinnert, Police Chief; Dave Dassey, IT; Adam Taylor, Zoning Administrator; and Greg Buckley, City Manager.

4. ACTION ITEMS

- A. TID No. 12 Development Agreement with Milkweed Ventures, LLC, to Provide a Pay-as-You-GO Developer Grant to Assist With Development of the Violet Inn Spa and Lounge, 1415 16th Street (Tabled from October 21 City Council Meeting)

Recommended Action:

Motion to authorize the City Manager and City Clerk to sign the agreement on behalf of the City

Motion carried with a roll call vote. Motion made by Bittner, seconded by Derby. Voting Yea: Bittner, Brandt, Derby, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser.

Councilmember Wachowski arrived at 6:19 PM.

5. DISCUSSION ITEMS

- A. Discussion of Topics Pertaining to Short-Term Rental Properties (STR's) or "Vacation Rentals"
1. Current City Ordinances Related to STR's--Overview by City Attorney

Attorney Andrew Adams gave a summary of the current City Ordinance 6-13 which includes an application to the City Clerk, a criminal background check, a fee of \$150 per year (up to 3 "contacts"); \$25 per additional contact, property managers must be available 24 hours per day but are not required, a current health department inspection, maintain a two-year guest registry, no fireplace without a current certificate from an inspector, and limitations on occupancy.

2. Wisconsin Laws Related to STR's and the Ability of Local Municipalities to Regulate Such Properties, Including Examples from Other Wisconsin Communities--Overview by City Attorney

Attorney Andrew Adams gave a summary of WI Statutory Limitations on Regulations. Wis. Stat. §§ 66.1014, 66.0615. Rentals between 7 and 29 days in length may be limited to a period of as short as 180 consecutive days in any 365 day period, based on the first rental in that 365-day period (not aligned with the calendar year). Municipalities may regulate short term rentals of less than seven days in any manner as long as those regulations do not contravene the limitations above or other, general statutes. He provided examples from three other municipalities:

City of Madison Code of Ordinances § 9.29. Application Requirements: Long occupancy requirements for the property owner (must reside at the property for at least 12 months prior to first rental); building inspection prior to permit approval; floor plans required; valid photo identification of all owners and operators; fee is \$100 per year; provides Zoning Administrator with freedom to add "reasonable" requirements. Maintaining Eligibility: Permit ID number on all advertisements; host name on all advertisements; maintaining a guest registry; May operate rentals no more than 30 days per year if the owner does not live at the rented location simultaneously.

City of Tomahawk Municipal Code Ch. 90. Application Requirements: Complete the permit application (Contact information for owners and operators); pay \$5.00 per location; pay a \$5,000.00 bond to the City. Maintaining Eligibility: Pay all room tax on time and in the correct amount; other conditions the clerk requires (not listed in the ordinance or on the 1-page application).

Village of Lake Delton Code of Ordinances Ch. 35. Application Requirements:.; For rentals of less than 7 days, a person or company may only apply for a permit if they are a property manager, Property managers must apply for a separate permit to be a property manager and only receive that permit if they meet a list of separate requirements, A separate permit is required for rentals of 7-30 days, An agent must always be within a 30-minute travel radius, Most zoning requires a CUP, an Annual inspection, Fees: \$1000 generally; for PM, \$500 + \$100 per unit; \$100 per resident agent; \$150 per inspection. Maintaining Eligibility: Monthly rental reports, Village may revoke for >3 noise or other service complaints, List of specific property requirements, like blocking woodburning fireplaces, minimum parking, and maximum occupancy (2 people per bedroom + 2 people), May only advertise with services registered with the Village (e.g. AirBnB or VRBO).

3. What We Know About STR's in the City of Two Rivers

- Number of registered STR's
- Impact on Local Tourism

Tourism Director, Joe Metzen stated that Room Tax revenue is growing year over year in Two Rivers. There are currently 46 short-term rental properties registered with the City of Two Rivers and MTWC Health Dept. According to online booking platforms research there may be up to 25 additional properties that fit the definition of short-term rental in Two Rivers at this time. More work needs to be done in determining if these rentals are short-term, long-term or may not be currently in use and have not been updated on various booking websites. The Two Rivers staff team is currently revising our application process.

c. Policing Issues

Police Chief, Ben Meinnert stated out of the 47 registered STR's his department received 7 complaint calls in 2022, 26 calls in 2023, and currently 23 calls in 2024. Of those complaint calls the department has only had to respond to 3 complaints in 2022, 0 in 2023, and 3 so far in 2024 where enforcement action was required.

d. Feedback from Local Residents

Local resident Andre Robitaille presented a petition signed by 75 residents and voiced his and their concerns about STR's in Two Rivers. They are urging the council to; limit short term rentals- Enforcing stricter regulations on Airbnbs, especially for stays under a week. Consider owner-occupancy requirements or limit investors from buying up homes in single family neighborhoods. Keep housing affordable and community-oriented for full-time residents. Engage residents proactively- Host town halls, conduct surveys, and actively gather resident feedback to ensure the community shapes decision. Ensure a fair share- Adjust fees, utility rates, and property taxes so that investors and vacation homes pay fairly, reducing the burden on permanent residents.

Local resident and multiple STR owner Joe Baeten shared some statistics. Two Rivers is still below median home prices in WI and STRs make up less than 1% of homes in Two Rivers. Some airbnbs are unlicensed, but if they are rented for periods longer than 30 days at a time they do not need to be licensed. He mentioned seeing a statistic of \$1.8 million has been generated by all the airbnbs in town and injected back into the community, not including what tourists spend in the community. In 8 years of managing STR's, the Baetens only had the police called on one of their properties one time.

Local resident Susan Robitaille expressed her concerns and the concerns of the 75 residents about the impact of Airbnb rentals on family-oriented neighborhoods and the decline in local businesses due to a lack of young workers. They advocate for zoning modifications to protect residential areas meant for families while allowing Airbnbs in designated zones, and emphasized the importance of reaching out to the 75 concerned residents.

4. City Council Views on Whether Amendments to Existing Ordinances and Possible Additional Regulation are needed at this time.

There was some discussion on this topic, but no consensus was expressed and no actions were taken.

6. CLOSED EXECUTIVE SESSION

The City Council reserves the right to enter into Closed Session, per Wisc. Stats 19.85(1)(e) deliberating or negotiating the purchasing of public properties, the investment of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.

- Discuss property acquisition matters
- Discuss possible assistance to development project

Motion carried with a roll call vote. Motion made by B. LeClair, seconded by Petri to convene in closed session at 7:59 PM. Voting Yea: Bittner, Brandt, Derby, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski

7. RECONVENE IN OPEN SESSION

Motion to reconvene in open session at 9:05 PM to consider possible actions in follow-up to closed session discussions. Motion carried with a voice vote. Motion made by Bittner, seconded by D.

LeClair. Voting Yea: Bittner, Brandt, Derby, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski

There was no action taken after reconvening in open session, other than to adjourn the meeting.

8. ADJOURNMENT

Motion to dispense with the reading of the minutes of this meeting and adjourn at 9:06 PM.

Motion carried with a voice vote. Motion made by Wachowski, seconded by B. LeClair. Voting Yea: Bittner, Brandt, Derby, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski

Respectfully submitted,

Valerie Vanderlinden
Deputy City Clerk