NEENAH PLAN COMMISSION Tuesday, April 25, 2017 4:15 P.M. HAUSER ROOM, City Administration Building

- 1. Approve minutes of March 28, 2017 meeting.
- 2. Public Appearances (Ten minutes divided among those wishing to speak on topics pertinent to the Plan Commission).
- 3. Public Hearings:
 - a. None
- 4. Action Items:
 - a. Site Plan Review Main Street/Torrey Street Parking Lot
 - b. Public Statue Location Main Street/W. Wisconsin Avenue
- 5. Misc. Items
 - a. Non-Conforming Uses in C-2 District
- 6. Zoning Code Review
 - a. Short-Term Rentals
- 7. Announcements and future agenda items:
 - a. Next Meeting: May 9, 2017
 - b. Comprehensive Plan Update

Neenah City Hall is accessible to the physically disadvantaged. If special accommodations are needed please contact the Department of Community Development Office at 886-6125 at least 24 hours in advance of the meeting.

MINUTES OF THE NEENAH PLAN COMMISSION Tuesday, March 28, 2017

4:15 p.m.

Present:

Mayor Dean Kaufert,	PRESENT	Gerry Kaiser, Director of	PRESENT	Nick Piergrossi, Vice	PRESENT
Chairman		Public Works		Chairman	
Kate Hancock-Cooke	ABSENT	Ald. Christopher Kunz	ABSENT	Karen Genett	PRESENT
Gerry Andrews	ABSENT	Ald. Jane Lang	PRESENT		

Also present:

Brad Schmidt, Deputy Director of	Katie Osthelder, Administrative	Alderwoman, Cari Lendrum	
Community Development	Assistant of Community Development		
James Thienel, 990 S. Lake Street,	Forrest Genett, 957 Betty Avenue,	Grant Birtch, 534 E. Peckham, Neenah	
Neenah	Neenah		

Minutes:

MSC Genett/Lang, to approve the Feb 21, 2017 meeting minutes. All aye. Piergrossi abstain.

Public Appearances:

Grant Birtch, 534 E Peckham, Neenah, introduced himself and provided follow-up on the discussion from past Plan Commission meetings about short term rentals. He indicated that he's reviewed the ordinances that Deputy Director Schmidt provided and believes the City should adopt an ordinance which regulates short term rentals. Mr. Birtch believes the Village of Ashwaubenon ordinance is pretty good and well put together since it uses specific standards to review these properties including licensure for health inspections and building inspections. It's a very comprehensive ordinance.

Public Hearings: NONE

Action Items:

1. Final Plat - Castle Oak V

Deputy Director Schmidt provided an overview of the final plat for the 5th phase of the Castle Oak subdivision. In addition, Deputy Director Schmidt indicated that the conditions of the final plat have been met. The only request from staff is that a 20-foot easement be added over the storm sewer between Lots 176 and 177.

Commission member Genett asked if the 1,500 foot Wallace Lane/Stout Drive is a culdasac. Deputy Director Schmidt indicated that the road is not intended to function as a permanent culdasac and is temporary until Cavalry Lane is extended south to Fort Drive. City Staff worked with the developer to put language in the development agreement that allows the City to construct the Cavalry Lane extension if it isn't completed within 36 months. In addition, the developer will dedicate the Cavalry Lane right-of-way to the City.

Commission member Piergrossi asked if the dedicated Cavalry Lane would be a temporary road. Director Kaiser said that the road right-of-way was being dedicated and that no improvements will be made at this time.

Mayor Kaufert thanked Staff for looking our for the City's future interests.

MSC Kaiser/Piergrossi to recommend Common Council approve the Final Plat of the Castle Oak V Subdivision subject to the inclusion of a storm sewer easement between Lots 176 and 177. All Aye.

2. Site Plan Review - 990 S Lake Street

Deputy Director Schmidt provided an overivew of the proposed site plan at 990 S. Lake Street to construct a 1,600 square-foot storage building in the rear of the property. The building would be a wood-framed design with a metal exterior. The height of the building will be about 25 feet tall. The Zoning Code limits the lot coverage of buildings on a lot to no more than 30% in the C-1 District. However, Plan Commission has the ability to allow buildings to cover up to 40% of a lot. In this case the lot coverage would be 31.6%. The site plan also includes additional parking along the west property line.

Director Kaiser asked if the Plan Commission has increased the building lot coverage above 30% in the past. Deputy Director Schmidt indicated they have and that this does not result in a variance. Director Kaiser indiated that the area the building is proposed to be located is currently on an impervious area and therefore has no issues with increasing the lot coverage to 31.6%.

Commission member Piergrossi asked about the location of the existing ponds and the proposed stormwater ponds on the site plan. Deputy Director Schmidt said there are two existing stormwater ponds on the site along Lake Street. The two proposed ponds are preliminary and may change based on the alternatives to managing stormwater on the site. The challenge is that no stormsewer exists along Lake Street.

Plan Commission Minutes March 28, 2017 Page 2

MSC Kaiser/Genett for Plan Commission to approve the site plan for 990 S. Lake Street subject to the following conditions:

- 1. Obtain all necessary building permits prior to any construction, alteration, or sign installation.
- 2. Submit a detailed landscape plan identifying the type, size, and location of plantings along the west property line.

All Aye.

3. Excess Public Right-of-way - Harrison Street

Deputy Director Schmidt provided an overview of a request to declare City-owned land along Harrison Street as excess public right-of-way. The land is a remnant piece the City acquired as part of the Main Street overpass project. The land is too small to be used as a single-family residential lot.

Commission member Piergrossi asked if the land would be sold to one of the adjoining neighbors. Director Kaiser indicated that the property owner south of the subject land expressed interest in purchasing it.

Commission member Genett asked about the weird shape of the lot. Director Kaiser said it's a remnent piece from a service station that used to be there and the warehouse that is still used directly west of the land.

Commission member Piergrossi asked if the adjacent parcel with the warehouse on it was developable if the warehouse were removed. Deputy Director Schmidt said it appears it would meet our minimum lot size for residential lots.

Director Kaiser said the City currently maintains the subject land.

Mayor Kaufert expressed concerns about selling public land if it has development potentials in the future, specifically if the warehouse on the adjoining property was removed.

Director Kaiser indicated that regardless of the scenario there's no reason for the City to own and continue maintaining the subject land.

MSC Piergrossi/Kaiser for the Plan Commission to declare the remnant right-of-way piece of land along Harrison Street as excess property and recommend Council authorize the sale of the property. All Aye.

Zoning Code Review:

Short-Term Rentals

Deputy Director Schmidt provided an overview of short-term rentals and how the City currently deals with them. Unfortunately, the Zoning Code is not very clear on this use and the Plan Commission may want to further explore them. Attached in the memo are several ordinances which regulate short-term rentals in Wisconsin and a map of AirBnB properties currently listed in the City.

Director Kaiser asked what the difference between a short-term rental and a bed and breakfast is. Deputy Director Schmidt indicated that we regulate bed and breakfasts through a special use permit and they differ from short term rentals in that the property owners remain on the property and provide food for the guests.

Commission member Piergrossi asked if short-term rentals are required to pay Hotel Room Tax. Deputy Director Schmidt said that he believes they are responsible for the tax. Mayor Kaufert mentioned that the challenge is that it is a self-reporting tax.

Deputy Director Schmidt mentioned that the reason for bringing this to the Plan Commission is because the Community Development Department received a complaint from a neighbor. Commission member Piergrossi mentioned he is not in favor of regulating them.

Mayor Kaufert explained that the State has discussed preempting municipalities in regards to regulating short-term rentals. He also appreciates the background information but doesn't feel we would get far into this tonight since 3 commission members are absent.

2. Signs

Deputy Director Schmidt indicated that the sign code was attached to the Plan Commission packets and that a Supreme Court ruling impacted how the City regulates signage. Schmidt asked the Plan Commission to begin reviewing the sign code.

3. Accessory Structures

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Deputy Director Schmidt provided an image of a shed that was constructed in the City which found a loop-hole in the wall height requirement. The current requirement limits shed wall heights to no more than 10 feet and the total height of the shed to no more than 20 feet. Staff is proposing to reduce the maximum height for sheds to 14 feet to avoid similar type sheds.

Announcements and future agenda items:

Next meeting April 11, 2017

Comprehensive Plan Update- Deputy Director Schmidt indicated that the Steering Committee is reviewing each chapter separately and that the final chapter, Land Use, will be reviewed over the next several weeks.

Adjournment: The Commission adjourned its meeting at 4:58 P.M. MSC Genett/Lang. All Aye.

Respectfully Submitted,

Katie Osthelder

Administrative Assistant, Community Development



Department of Community Development and Assessment
211 Walnut St. • P.O. Box 426 • Neenah WI 54957-0426
Phone 920-886-6126 • e-mail: bschmidt@ci.neenah.wi.us
BRAD R. SCHMIDT, AICP
DEPUTY DIRECTOR OF COMMUNITY DEVELOPMENT

MEMORANDUM

DATE: April 21, 2017

TO: Mayor Kaufert and Plan Commission

FROM: Brad Schmidt, AICP, Deputy Director

RE: Site Plan Review – Gateway Office Building Parking Lot (Main St/Torrey St)

Request

The City's Community Development Authority (CDA) is requesting site plan approval to construct a parking lot on the southeast corner of Main Street and Torrey Street.

Consideration

The subject property is located within the C-1, General Commercial District. Parking lots are permitted in the C-1 District. The proposed parking lot will be CDA-owned, but used primarily by the Gateway Office Building (Plexus Corp.). The parking lot will contain a total of 277 parking stalls (7 will be handicap accessible stalls). Stormwater will be managed on-site with drainage swales along the east side of the parking lot and by grading the parking lot appropriately so that stormwater flows towards two designated biofilters which will help with water storage and water quality.

A landscape plan has not been submitted with this proposal. However, frontage and perimeter landscaping will be required. Frontage landscaping requires a minimum of 1 shade tree and 6 shrubs for each 40 feet of lineal feet of frontage. In addition, perimeter landscaping is required along the eastern edge of the parking lot adjacent to the remaining residential property owners. A minimum of 1 shade tree and 3 shrubs is required for each 40 feet of lineal feet.

Recommendation

Appropriate action at this time is to approve the site plan for a new surface parking lot located on the southeast corner of Main Street and Torrey Street subject to the following conditions:

- 1. Submit a detailed landscape plan identifying the location, type, and size of each planting which meets the minimum requirements for frontage landscape standards and perimeter landscape standards.
- 2. If outdoor lighting is proposed, please submit a photometric (lighting) plan to be reviewed by the Community Development Department.







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BRAD R. SCHMIDT, AICP
DEPUTY DIRECTOR OF COMMUNITY DEVELOPMENT

MEMORANDUM

DATE:

April 21, 2017

TO:

Mayor Kaufert and Plan Commission

FROM:

Brad Schmidt, AICP, Deputy Director

RE:

Statute/Street Furniture - Main Street sidewalk

Request

The City is requesting the approval to place a bronze statue and stone bench on public right-of-way adjacent to the new Gateway Office Building (120 Main Street).

Consideration

An anonymous donor has presented the City with a bronze statue of President George Washington and a stone bench which the statue sits on. The City is proposing to place the bench and statue on the south side of W. Wisconsin Avenue adjacent to the 120 Main Street office building. Plan Commission is responsible for accepting the public art and approving its location within public right-of-way or public spaces. Although the City doesn't specifically regulate the placement of statues in public right-of-way, street furniture is regulated. In this case, Staff reviewed the placement of the statue under the street furniture ordinance. Below are the placement requirements for private street furniture located on public sidewalk:

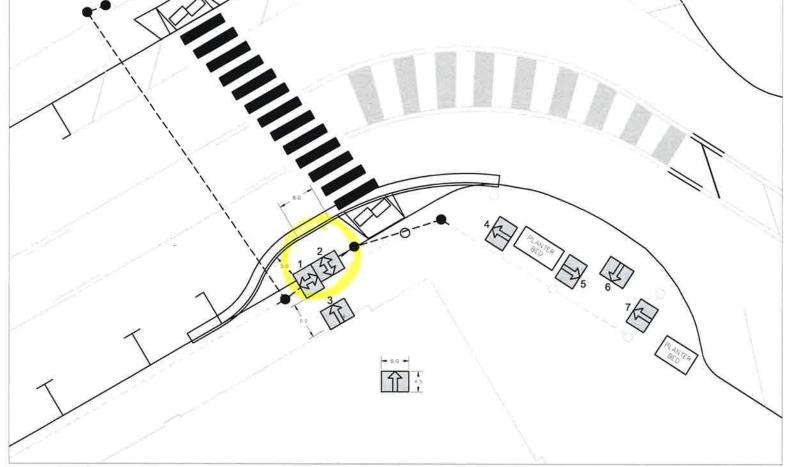
- Must be located on a sidewalk at least 6 feet wide
- Placed no less than 10 feet from any marked or unmarked crosswalk
- Placed closer than 5 feet from a fire hydrant or less than 10 feet from a driveway.
- Cannot be located within any vision triangle.

The street furniture ordinance specifically regulates private furniture placed on public sidewalks temporarily. This statue and bench is intended to be permanent and be secured to the sidewalk.

Recommendation

Appropriate action at this time is to accept the statue as public art and approve the location of the statue and bench along the south side sidewalk of Main Street / W. Wisconsin Avenue.





2017-04-13

Introduction

Short-term rental units are increasing in popularity not only in the Fox Valley, but all throughout the United States. Websites such as Airbnb or VRBO are becoming more and more popular each year and will likely become far more popular in the Fox Valley region due to the many events that are held each year. Renting out rooms or entire houses on these websites is providing an extra source of income for people that have extra rooms or are not using their property at the time of the rental. Those who use the websites or apps are typically interested in staying at these rentals in order to experience living like a local and typically paying less than they would at a hotel or bed & breakfast. These rental units can have a positive impact on the local economy and can potentially boost tourism in the local community. In Wisconsin, Airbnb hosts earned a combined \$13 million in 2016 and hosted about 105,000 people. According to the Madeleine Behr of the Post Crescent, Appleton and Neenah hosted a combined 1,920 visitors and the Airbnb market in Neenah grew by 84 percent last year. Although there are benefits for both hosts and guests, there are also negative impacts that these rental units can have on the local community. Because of these negative impacts, the City of Neenah should take a proactive approach to controlling and maintaining these short-term rentals.

Definition

Cities with short-term rental ordinances or regulations often have similar definitions as to what is considered to be a "short-term rental". For example, the City of Madison has an ordinance on Tourist Rooming Houses. The city defines Tourist Rooming House as "A building or portion thereof, other than a hotel, motel, bed and breakfast establishment or hostel, in which sleeping accommodations are offered for pay to tourists or transients. The definition does not include private boarding, lodging or rooming houses not accommodating tourists or transients."

Boulder, Colorado defines short-term rentals as "properties that are rented for less than 30 days at a time, excluding dwellings owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as health care facilities; also excluding permanently affordable units." The majority of cities with these regulations define short-term rentals as rental units that are rented out to non-owners for 30 days or less. It is recommended that the City of Neenah shall use a similar definition if the city plans to regulate short-term rentals. The city shall, however, clarify that these rentals can consist of having a present owner on-site, as well as an owner who is not staying on-site during the tenancy.

Negative Impacts of Short-Term Rentals

Housing availability could decline due to investors purchasing homes to rent out as short term rentals.

- Investors are able to make more money by renting out properties day by day rather than renting
 by month. Therefore, there is more of an incentive for investors to use short-term rentals rather
 than to rent out their property to people who intend to become local residents.
- Rental rates have greatly increased and experts claim that this is especially true in neighborhoods that have short-term rental units. The rental rates have increased due to the decreased housing supply.
- This creates a housing affordability problem that can affect the residents of the city.

 Many people fear that their property values will decrease if there is a short-term rental unit nearby.

The lack of supervision or oversight can become a public safety issue.

- Renters may not abide by certain rules if they are only going to be staying for one night.
- Although many hosts prohibit the guests from having parties, there are instances where parties will occur and this can generate increased noise, traffic, and possible safety issues.
- Party houses have become a big concern in places such as Austin, Texas and Los Angeles,
 California. Many times, renters that are using these rentals as party houses do not care about the noise complaints because in a few days they will be gone.

Renters can become a nuisance due to noise and lack of common courtesy that they may normally display at their permanent home.

- Renters do not have a vested interest in preserving the character of the neighborhood like a homeowner would.
- If people don't have to see the neighbors again, they may not care if they are too loud or disruptive.

Short-term rentals can potentially change the character of a neighborhood.

- These rentals bring transient neighbors and thus can result in a lack of trust and safety.
- Parents in popular tourist destinations express fears that their children will grow up with no
 connections with their neighbors if short-term vacation homes continue to occupy residential
 neighborhoods. They also desire to have neighbors they can trust and who is willing to protect
 the character of the neighborhood.
- Single-family neighborhoods could be disrupted if more than one family stays at a short-term rental property.

These short-term rentals are an unfair advantage compared to licensed establishments that have to pay lodging taxes and abide by certain rules and regulations.

- This could lead to job loss for local residents if the hotels were to close.
- Hotels have more oversight and are more regulated to protect hotel guests then are short-term regulations.

Examples of Solutions

Portland, Maine

Legalized short-term rentals but limited rentals to ninety days a year when the host is not present. Recently, the city has voted to allow only 300 non-owner occupied units and that no individual would be able to register more than five short-term rentals in buildings in which they hold a financial interest. This new change would prohibit short-term rentals in single-family homes, including condominiums, which are not the primary residence of the owners. Also, no more than two people would be allowed to stay in each bedroom and only two people could use other areas, such as a living room, to sleep. Owners would

have to register their short-term rentals with the city's Housing Safety Office. The revenue would be used to pay for the cost of the short-term rental program. Once costs are covered, any additional revenue would go to the city's Housing Trust Fund, which is used to fund affordable housing. Through fees and other limits, the rules also seek to discourage people from buying buildings for the sole purpose of converting them into short-term rentals. For example, the registration fee for an owner occupied building would be \$100 for the first unit, \$250 for the second, \$500 for the third, \$1,000 for the fourth and \$2,000 for the fifth. Fees for non-owner occupied buildings are higher, with \$200 for the first unit, \$500 for the second, \$1,000 for the third, \$2,000 for the fourth and \$4,000 for the fifth.

Portland, Oregon

Legalized Airbnb short-term rentals, requires homeowners to have a permit, and receives tax and lodging fees. Portland residents are required to apply for an accessory short-term rental permit to rent a residence to guests for periods of fewer than 30 consecutive days. The cost of the permit, as of 2014, is \$178 a year. There are two types of permits depending on the number of bedrooms. Hosts are required to notify neighbors about the rental unit and the city will perform an inspection of the property. The hosts are required to occupy the residence for at least 270 days during each calendar year. Hosts are required to submit a Transient Lodging Registration form to the City of Portland Revenue Division. The State of Oregon requires taxes and these rentals are grouped with hotels and motels for these lodging taxes.

Boulder, Colorado

The rental property must be the owner's principal residence and the name on the license must be the same as the name on the deed for the property. The owner must follow all city occupancy limits and ensure that all smoke and carbon monoxide detectors are working. Property owners must provide for two local contacts within 60 minutes of property. A short-term rental license fee is \$105 for a four-year license. There is also a one-time Business License fee of \$25. Therefore, the first year the license will cost \$130. Applicants must also fill out a life safety compliance and contact verification form and a short-term rental license affidavit.

Madison, Wisconsin (As of 2013)

Only owners of a property are allowed to rent their property for a short time. If the owner occupies the residence at the time of the rental, then there is no limit to how many days the residence may be rented. However, if the owner is not occupying the residence at the time the property is being rented, then the residence is not allowed to be rented out for more than 30 days per licensing year. Housing structures that provide temporary lodging must be inspected and licensed. The establishments that comply with such requirements are subject to local Room Tax requirements.

Licensing Fees: The initial fee to open a Tourist Rooming Home is \$595; after the first year of licensed operation, license renewal fees are \$220 per year. These fees are used to support the inspection efforts of Public Health Madison and Dane County. Assuming 100 new licensees, the licensing revenues generated will be \$59,500 in the first year, followed by annual renewal fees of \$22,000. These revenues are dedicated to support the inspection efforts of the Health agency, and are not credited to the City General Fund for the support of City operations.

Conditional Use Fees: All currently unlicensed temporary lodging establishments will need to comply with the City's Zoning Code and will need to apply with the City for a conditional use approval. A conditional use application fee is \$600. This is a one-time fee, intended to cover the City's costs to process the application. An additional 100 conditional use application fees @ \$600 each would yield a total of \$60,000, funds which would be credited to the City General Fund.

Room Tax: The lodging rates charged by each establishment and the occupancy rates of the establishments vary considerably, and good data are lacking. Assuming 100 establishments, each charging an average of \$100 per night, and with average annual occupancies of 30 days, then total lodging-generate revenues are \$300,000. The Room Tax rate is 9% of room rental revenues, or about \$27,000 annually, which would be credited to the City Room Tax Fund.

Madison could become the first city in Wisconsin to collect room taxes from Airbnb through the short-term rental company's website. Madison's approach will be focused on education and compliance, rather than on penalizing hosts.

Menasha, Wisconsin

The City of Menasha requires people who want to rent their home short-term to obtain an annual permit from the city, get an inspection and pay room taxes — or face penalties if they don't comply. A single tenant cannot occupy a short-term rental property for fourteen consecutive days. A host must apply for a permit each year and an inspection must be performed by a building official. The maximum amount of occupants is two people per bedroom and two additional persons. For example, if the house offers 3 bedrooms, there is a maximum occupancy of 8 people. The hotel and motel tax of Menasha applies to these rental properties. The ordinance requires that the property owner must designate a local representative for the short-term rental. The cost of a permit is \$160.

The property owner or designated local representative shall maintain a guest and vehicle registry for each tenancy of the short-term rental. The register shall include the names, home addresses and phone numbers of the tenants; the vehicle license plate numbers of all vehicles used by the tenants, and the dates of the rental period. The local representative must be authorized by the owner to respond to tenant and neighborhood questions and concerns. The local representative shall serve as the initial contact person if there are questions or complaints regarding the operation of the dwelling for short-term rental purposes. One off-street parking space shall be provided for each three persons of dwelling occupancy. The short-term rental permit shall be posted within the dwelling adjacent to the front door.

Ashwaubenon, Wisconsin

In Ashwaubenon, the regulations are limited to rentals of 22 homes on the two blocks near Lambeau Field. These houses are located in the Stadium Area Overlay District. No vehicular traffic shall be generated that is greater than normally expected in the residential neighborhood. There shall not be excessive noise, fumes, glare, vibrations generated during the use. Name plates or other signage shall not exceed one square foot. No other signage advertising the STR is permitted on site. There shall be one parking stall available per 3 paying guests. The number of occupants in any unit shall not exceed the limits set forth in the State of Wisconsin Uniform Dwelling Code and other applicable county and village housing regulations based upon the number of bedrooms in each unit. No recreational vehicles (RVs), camper, tent, or other temporary lodging arrangement shall be permitted on site as a means of

providing additional accommodations for paying guests or other invitees. Any outdoor event held at the short-term rental shall last no longer than one day occurring between the hours of 8:00 a.m. and 10:00 p.m. Any activities shall be in compliance with other noise regulations of the village. All rentals of the facility shall be subject to payment of the Brown County room tax at the current applicable rate. Permit holders are responsible for complying with all regulations of the room tax. Compliance with all state, county, and local regulations is required. Annual general building inspection is required. A local property management contact must be on file with the village at the time of application for a conditional use permit. Short-term rentals are issued for one year period and they would have to apply for a permit in subsequent years.

Possible Suggestions

The City of Neenah should be proactive in regulating short-term rentals within city limits. Although these short-term rentals have yet to produce any considerable negative impacts on the community, it is important to regulate short-term rentals to ensure that these problems will not arise. The list of suggestions provided below are not absolute and can be modified to better suit the community. Not all suggestions may be necessary and some suggestions may need to add more detail.

- Owners of short-term rental properties shall obtain a special use permit in order for the city to have more control on what is allowed for the property.
- An individual is only allowed to register 5 or less properties for short-term rentals.
- A license to operate a short-term rental shall be required and the license fee shall be \$150 per year per property. The fees collected can help pay for the inspection process or can help pay for any costs that are necessary for operating the short-term rental program.
- Owners who have purchased a license must register their property with the city. The registry
 should include information such as parking spots available, two local contacts within 30 miles of
 the property (in case of emergency), number of rooms, and inspections must be made and
 approved before rentals can be used. The two local contacts should be available to answer any
 questions or concerns.
- Owners shall notify their neighbors about their interest to use their property as short-term rentals. This would be a necessary step if special use permits are needed for these rental units.
- In regards to noise, all short-term rental owners or guests must abide by the noise regulations in Section 11-146 of the city's code of ordinances.
- There shall be at least one designated parking spot on the site for guests and no more than 2 vehicles are allowed to be parked on the street by a guest.
- There should be a limit of two people per bedroom and two additional people. For example, if
 there are 3 bedrooms then the capacity is 8 guests. However, an absolute maximum limit of 1012 guests may also be necessary to ensure these rentals will not turn into party houses.
- No recreational vehicles (RVs), campers, tents, or other temporary lodging arrangements shall be permitted on site as a means of providing additional accommodations for paying guests or other invitees.
- Tenants may not stay at a short-term rental property for more than twenty consecutive days.
- Lodging taxes and room taxes shall be applied to each stay.

- If necessary, the city could require owners to maintain a guest and vehicle registry for each tenancy of the short-term rental. The register could include names, home addresses, phone numbers of the tenants, vehicle license plates, and a list of the dates the rental was used.
- No short-term rental property shall be located within a 500 foot (or 1,000 foot) radius of another short-term rental. This would be done to ensure that an entire block is not consumed by these properties.
- In order to limit guest turnover there shall be a minimum stay of 3 nights for units that do not have an owner on site, and owners can only rent out their property to 3 (or X amount) different tenants each month. If guests are required to stay for more than 1 night, they may feel more inclined to respecting the local residents.
- Owners are subject to following the same guidelines as those listed in sections 21-195—21-199
 in the city's code of ordinances. These guidelines need to be followed in order to pass
 inspection.

Airbnb market grows in the Fox Cities

Madeleine Behr, USA Today Network

NEENAH - Summer is a busy time for Josh Skog.

While most Fox Cities residents are going up north to relax or boating on Lake Winnebago, Skog is tidying his Doty Island home for newcomers. They aren't relatives or friends, but guests from all over the world staying in his home for lake vacations, Mile of Music, EAA Airventure or summer weddings using Airbnb, an online home rental website.

"The majority of last summer was spoken for," Skog, an Airbnb host for two years, told USA TODAY NETWORK-Wisconsin. "I've already had someone inquire about EAA for next year from Scotland."

Airbnb is an online network of rental spaces all over the world. Anyone can become a "host" and list a room in a home, an entire home or an apartment to rent to guests — just like a hotel or bed and breakfast. Then both hosts and guests can rate each other as part of a review process. The San Francisco-based company is estimated to be worth \$30 billion, according to Bloomberg.

Worldwide, Airbnb has drawn scorn from city officials in <u>San Francisco</u>, <u>New York City</u>, <u>Amsterdam and other locales</u> as they struggle to figure out how to ensure safety of neighborhoods with an influx of transient visitors, how to get the necessary taxes from Airbnb that hotels already pay, and how to combat the rental market against the need for affordable housing for full-time residents.

In the Fox Cities, the market is much different, but hotel and tourism industry officials are watching to see how Airbnb grows in the area.

In 2016, Airbnb hosts in Wisconsin earned \$13 million and hosted more than 100,000 people, according to a December statement from the company. No surprise that Milwaukee and Madison, the state's largest cities, were the top spots to visit with 20,000 and 19,000 visitors respectively. Green Bay had 3,500 visitors, and Appleton and Neenah hosted a combined 1,920 visitors.

Ben Breit, a spokesman for Airbnb, wrote in an email to USA TODAY NETWORK-Wisconsin that Appleton's market has grown 126 percent in the last year, and Neenah's grew 84 percent last year.

Economic impact, new visitors to area

Appleton Alderman Christine Williams started renting a room in her home on Airbnb with her husband, Todd, in 2013 — before she was elected to the council in spring of 2014.

She said the Fox Cities is in a "unique situation" for lodging with the Green Bay Packers nearby and events like EAA. If hotels start to sell out, visitors can rent through Airbnb rather than finding hotels farther away in Oshkosh or Fond du Lac.

Williams said the Airbnb traveler isn't a typical visitor and tends to be more interested in the community. Thus, it can bring dollars to the area from hosts directing visitors to local hot spots and attractions, as Airbnb travelers want to get to know where they're staying more so than the average visitor, Williams said.

"We're always fascinated by the people who come in, they've got great life stories," Williams said, adding she's hosted couples and families from as far away as China and Germany. "Most people, especially folks who are considering moving here or having their kid go to Lawrence, they really want to know a lot about the city. They want to know that it's friendly, it's safe and accessible, and I feel like I sell the city."

Skog said being a host isn't for everyone, but it's a chance to meet new people from across the world while making some extra money.

He became a host with Airbnb after covering his home's full mortgage following a divorce. It's not enough to make a full living here, but if Skog was in a larger market like Chicago, he probably could make it a full-time gig.

"I always kind of wanted to (be a host)," Skog said. "I used Airbnb through my travels to St. Paul, Buffalo, Memphis. I travel quite a bit and I usually enjoy (Airbnb)."

Impact on room taxes for tourism projects

So far, the growth of Airbnb in the Fox Cities hasn't had an impact on the collection of hotel and motel room taxes, said Pam Seidl, executive director of the Fox Cities Convention and Visitors Bureau.

Those room taxes are added on to the bills of hotel and motel guests to help fund the projects like the Fox Cities Exhibition Center and the USA Youth Sports Complex in Appleton.

"We're not there yet, but what could happen big picture is that we have a number of large projects that we're funding with room tax," Seidl told USA TODAY NETWORK-Wisconsin. "Let's just say Airbnb rentals grow and grow and grow and start taking money away from hotels, we will have less money to pay off the expo center, less money for each

municipality ... less for grants to make ADA-accessible canoe and kayak launches, for the Trestle Trail (in Menasha and Fox Crossing), all these amenities that add to the quality of life."

There are state laws in place for transient housing locations, such as a bed and breakfast or hotel or Airbnb rental, to pay room taxes, get inspected and be licensed, Seidl said.

Airbnb and similar sites have grown enough throughout the state that the Wisconsin Hotel & Lodging Association has compiled a guide for residents interested in renting their homes, with information from the League of Wisconsin Municipalities, the Wisconsin Counties Association, the Wisconsin Insurance Alliance and state agencies.

The guide has advice to:

- Contact the state Department of Agriculture, Trade and Consumer Protection to get a license as required by state law for "tourist rooming houses," also known as short-term rentals.
- Call local officials to check if the municipality has additional ordinances for short-term rentals.
- Ensure residents are paying state sales tax or room tax on their rentals.
- Get additional insurance coverage.

In the Fox Valley, Menasha has an ordinance that requires people who want to rent their home short-term to get an annual permit from the city, get an inspected and pay room taxes — or face penalties if they don't comply.

"It's a heck of a lot of work for not a lot of return, but I think it's on principle to say, 'we have this ordinance and all we ask is that you abide by it," Seidl said of Menasha's policy.

Airbnb's website doesn't include addresses of available rentals until a guest books a stay, making it difficult for city officials to find who is doing the rentals and taxing them accordingly.

Seidl added that bed and breakfasts are often hurt most by Airbnb, not hotels and motels, because of the similarities between a B&B and an Airbnb rental.

Regulations in place in Green Bay, Ashwaubenon

Green Bay and Ashwaubenon have moved ahead with regulations on Airbnb rentals, citing the influx of visitors for Packers games.

In Ashwaubenon, the regulations are limited to rentals of 22 homes on the two blocks near Lambeau Field. In Green Bay, hosts must apply for an annual permit from the city, supply proof of registration regarding county room tax requirements and get related state permits.

The Green Bay Council recently tabled an agreement with Airbnb to collect room taxes through rentals on its website. If that proposal is passed in the future, it would be the first municipality in Wisconsin to collect room taxes from Airbnb through the company's website.

Josh Schwalbe, 37, an Airbnb host in Green Bay, said it's more than fair for Airbnb rentals to be paying room taxes alongside hotels and other lodging places.

"I think it's fair, but it's not like we're running a full business establishment," Schwalbe said. He started renting his three-bedroom apartment two years ago after hearing about Airbnb through friends.

For Skog, if Neenah adds regulations for Airbnb hosts, he would still consider renting his home.

"It would really depend on whatever regulations were laid out, if I can still make it work and make decent money off of it," Skog said.

If the Appleton Common Council considers additional regulations for Airbnb hosts, Williams said she would abstain from the vote and be supportive of the city's decision.

Williams added she pays income taxes on her supplemental income from Airbnb, and conferred with officials about the city's ordinance before renting part of her home.

Seidl, the executive director of the Convention and Visitors Bureau, said the tourism industry needs to come to grips with Airbnb and figure out how to deal with it — both on an industry level and with municipalities.

Most often, cities respond to Airbnb as a legal issue when there's a "tragedy or issue," such as a safety concern with transient visitors, rather than being proactive, Seidl said.

"It's dramatic things that brings light to something," she said. "In our industry, we need to decide how we're going to work with these new kind of rental options right now."