

LICENSES & FEES COMMITTEE MEETING Minutes

May 8, 2023 Regular Meeting



The meeting was called to order by Chair Fennessey at 3:30 p.m. on May 8, 2023 in Government Center Room 217.

1 ROLL CALL

MEMBERS PRESENT: Brent Fennessey (Chair), Mike Herrick (Vice Chair), Jack Sweeney Lindsey Graskey (Alternate)

MEMBERS ABSENT: N/A

CITY STAFF PRESENT: Acting City Clerk Heidi Blunt, Paralegal Starr Bowers, City Attorney Frog Prell, Finance Director Nick Rhinehart, Chief of Staff Becky Scherf, Fire Chief Camron Vollbrecht

OTHERS PRESENT: Councilor Jenny Van Sickle (via teleconference), Shelley Nelson, Bruce Barron, Steven Potter, Steven Poole, and Taylor Silker (via teleconference)

1.1 Election of Chair

MOTION by Councilor Sweeney, seconded by Chair Fennessey and carried unanimously, to elect Councilor Fennessey as Chair.

1.2 Election of Vice-Chair

MOTION by Chair Fennessey, seconded by Councilor Sweeney and carried unanimously, to elect Councilor Herrick as Vice Chair.

2 APPROVAL OF MINUTES

2.1 Golf Course Committee (Meeting held January 24, 2022)

MOTION to approve by Vice Chair Herrick, was seconded by Councilor Sweeney and carried.

3 OLD BUSINESS

There was no objection to Chair Fennessey's request to consider Items 3.1 and 4.1 simultaneously:

3.1 Review of City Code Pertaining to lodging and corresponding tax collection in Article II, HOTELS, MOTELS AND ROOMING HOUSES.

4.1 Repeal of Short-Term Rental (STR) Ordinance and License Application

Chair Fennessey opened the discussion with a review of the initial main reasons the Committee was lead to develop the Short-Term Rental Ordinance and License Application including the interests of assisting the Finance team with obtaining tax reporting information and ensuring safe conditions for consumers using these rental properties. Chair Fennessey then opened the floor to the public.

Citizen Bruce Barron noted his appreciation of conversations with the City regarding this ordinance and stated it has been clear to him as well as other business owners that the City did

not have the legal authority by way of Wisconsin statute 66.0615 to enact portions of this ordinance. Mr. Barron advised that the marketplaces, such as AirBnB, are the entities that coordinate the collection of taxes as mandated through the state law. Because of this, he believes this ordinance is not congruent with state law. Mr. Barron encouraged the committee to rectify this issue and comply with state law by repealing the ordinance for Short-Term Rental properties.

City Attorney Frog Prell was recognized next due to a time constraint. Mr. Prell advised he has met several times with both Finance Director Rhinehart and Planning, Economic Development & Port Director Serck to understand the need for wanting this license. At this time Mr. Prell agreed that the City has no need to license Short-Term Rental if tax tracking is the primary goal of the ordinance. He recommended the Committee rescind the ordinance that created the license.

Citizen Steven Poole added that the Marketplaces business owners are largely using to book their rentals have settings that would require providing a City or County-level license number should one be required in that area. This could potentially close the loop-hole to understanding the scope of exactly who is operating a Short-Term Rental business.

Bruce Barron responded to a question from Councilor Jenny Van Sickle if he and Mr. Poole were representing a group or organization. Mr. Barron stated they are a part of the Superior-Douglas County Hospitality Group, which is a not a formalized organization, and is an email distribution group of about 130 hospitality business owners and operators in Douglas County.

Chair Fennessey advised he met with the mayor the week prior to the meeting and advised Mayor Paine fully supports repealing this ordinance as redundant or not needed at this time. He reviewed the areas of Articles II, III, and XII where Short-Term Rental has been added to our ordinance and offered a plan for how to best repeal the ordinance while still retaining the definitions of Article XII within City code. He also proposed a review of the following Exception verbiage that could be added to Section 74-63, Report and payment (handout attached) that states:

“Exception: Persons, firms or corporations engaged in such business exclusively through one or more marketplace provider shall be exempt from the reporting requirement.”

Councilor Van Sickle (via teleconference) added that the City’s interest in having a Short-Term Rental License had also initially included concerns that these rentals can encroach and impede upon the affordability of the housing market for residents. She mentioned that some of that conversation seems to have been lost along the way. Councilor Van Sickle advised she has also heard from constituents in her district that have concerns and complaints related to short-term rental properties.

MOTION by Chair Fennessey to amend Article XII to strike all sections and language to remove the license requirement for short-term rentals, and move the definition of Short Term Rental to Articles II and III, was seconded by Councilor Herrick and failed receiving no affirmative voice votes.

Councilor Sweeney suggested that the amendments to Articles II and III to add definitions of short-term rentals should be moved to New Business of the next Committee meeting.

MOTION by Chair Fennessey to amend Article XII to strike all sections and language to remove the license requirement for short-term rentals, was seconded by Councilor Sweeney and carried.

- 3.2 REFERRAL FROM COMMON COUNCIL: Approval of an original Class “A” Beer and “Class A” Liquor (Cider Only) alcohol license application for Apple House LLC, dba Sutherland CBD, located at 5701 Tower Avenue (Agent: Craig Sutherland) for a period beginning on November 1, 2022 and ending on June 30, 2023.

Chair Fennessey shared that he has received and forwarded to the Clerk a communication from Mr. Sutherland who requested to withdraw this application for consideration.

MOTION by Chair Fennessey to receive and file, was seconded by Sweeney, and carried.

- 3.3 Review examples of Massage Therapy Business ordinances for consideration.

Acting City Clerk Blunt shared that the prospective business owner who was interested in having the City look at alternative options for traveling massage therapy business for this ordinance has moved to Minnesota. Blunt will update the committee if further inquiries of this type of business model comes to her attention.

MOTION by Chair Fennessey to receive and file, was seconded by Sweeney, and carried.

4 NEW BUSINESS

- 4.2 Propose Future Meeting Topics

Councilor Fennessey and Councilor Sweeney would like next meeting to include the proposal amendments to Articles II and III to include the definition of Short-Term Rentals from repealed Article XII.

The committee expressed an interest in learning more about the growth of the CBD industry.

Another interest by several committee members was catching up on the previous schedule for a review of the list of business licenses that was started in 2022.

Paralegal Starr Bowers mentioned the Building Inspection department may have recommendations for updating several outdated areas of licensing ordinance language. She will work to find this and bring it to be placed on the agenda.

5 ADJOURNMENT

Meeting was adjourned at 4:55 p.m.

Respectfully submitted by Heidi Blunt