

July 12, 2021

CITY OF WASHBURN COMMON COUNCIL MEETING

5:30PM

Washburn City Hall & Remote Call-In

City Council Members:

Present, in-person:

Karen Spears-Novachek, Tom Neimes, Carl Broberg, Dave Anderson, Jennifer Maziasz, Laura Tulowitzky, Mary McGrath

Present, remote:

none

Municipal Personnel:

Present in-person:

Mayor Mary D. Motiff, City Administrator Scott J. Kluver, City Attorney Max Lindsey, Assistant City Administrator Tony Janisch, Director of Public Works Gerry Schuette

Present, remote:

none

Absent:

none

Call to Order - Meeting called to order at 5:31PM by Mayor Motiff. Roll call attendance depicted seven (7) of seven (7) members of the Common Council in attendance. Quorum of the Council recognized.

Approval of Minutes – City Council Meeting of June 14, 2021 - A motion was made by Novachek to approve the June 14, 2021 minutes of the City Council with the corrections noted, second by Neimes. Motion carried unanimously.

Approval of Expenditures - A motion was made by Novachek to approve the monthly expenditures as reviewed, second by Tulowitzky. Motion carried unanimously via roll-call vote.

Public Comment – Albert Eitsert, Mand Properties rental-1 W 3rd St., stated concern for the changes to short-term rentals; Sec 7-11-3 specifically occupancy and number of bedrooms and bathrooms required, the \$500 permit fee seems steep while already paying a 6.4% room tax. Mr. Eitsert then read a few of the comments left by customers at the rental. The Mayor interjected that current short-term rental owners may be grandfathered in; it is being look at and is to be determined. Melissa Martinez, Washburn Chamber of Commerce Director, asked Council to hold off again with action of the short-term rental ordinance and stated appreciation with some of the changes that made to draft ordinance since that last meeting. Ms. Martinez stated she spoke with several short-term rental owners, and they have expressed concern over the cost of a permit and the number of bathrooms. She acknowledged the possibility of current conditional use permittees to be grandfathered in but did not see that identified in the packet information. Ms. Martinez further stated that she wanted everyone to be aware that an email was sent by Attorney John Carlson that afternoon regarding issues in the ordinance of no statutory authority. Sheryl Oksimowicz, 614 N 3rd Ave E, short-term rental owner, stated that she is very happy to be part of the community for the past 3 years, and is not against any regulations or fees, but has concerns she wasn't notified about this discussion until the Chamber Director contacted her and she wondered if others were notified. She further stated that the permit cost of \$500 was high, especially if the rental unit was only a one-bedroom and wondered if this fee could be prorated. Ms. Oksimowicz further added concern for the number of bathrooms, she would not comply with what is in the ordinance. She added that she was excited hearing there is consideration of grandfathering in. Ms. Oksimowicz concluded by saying she's had 120 nights rented this year and these people are spending money at local businesses, and that there needs to be a balance. Kathy Erickson, 126 W Bayfield St., stated concern for her friend with losing her apartment because of her apartment building turning into short-term rentals. She expressed concern with taking housing away from people and why out-of-towners count more than the people that live and work here. Ms. Erickson further stated that housing is an issue in Washburn, and if you take away housing where are people going to live.

Mayoral Announcements, Proclamations, Appointments- The Mayor announced that an EMT recruitment event will be occurring on Tuesday, July 20th from 3:00-7:00pm. She further commented that there is a need for more EMT's, and the event will have demonstrations, instructors to answer questions and maybe a helicopter landing. The Mayor further stated that this Wednesday, July 14th, there will be a ribbon cutting ceremony at City Hall for the 14 businesses that have either opened or changed ownership in Washburn since

the beginning of the Covid-19 pandemic. She further added that the campgrounds and boat launch have been so popular and well used that extra port-a-johns had to be ordered to meet the demand. The Mayor concluded saying that her first Coffee with the Mayor was very good.

Discussion & Action on Conditional Use Permit Application to have Tourist Rooming Units Located at 215 W. Harbor View Drive (Units 4, 5, 7 & 8), MUW District – Washburn Apartments LLC, Petitioner

– The Mayor stated that, as been discussed previously, the State has limited local control of short-term rentals. Novachek moved to approve the Conditional Use Permit for a Tourist Rooming at 215 W. Harbor View Dr. (Units 4,5,7,8), seconded by Anderson. Maziasz questioned addressing this request while discussing an ordinance later on the agenda. Attorney Lindsey answered that state law requires that applications submitted must be reviewed under the current zoning codes in place at the time of application. Maziasz followed stating that this application shows the concerns mentioned during public comment with loss of residential housing to short-term rentals, then acknowledged the state limiting the ability to regulate. Neimes stated concern for the school system with a decline in the residential population. Tulowitzky moved to open the floor, seconded by Maziasz. Motion carried unanimously. Kathy Erickson stated that she knew of two of these units that were empty, so she assumed that the other two units were occupied. She then wonders if these apartment renters are to be evicted, creating more problems. The Mayor stated that as a private entity, the City has no say in how they conduct business. Tulowitzky asked to restate what the limitations are under state law. Attorney Lindsey replied that in 2017 the state legislature passed a law prohibiting municipalities from regulating short-term rentals in certain ways. However, municipalities can regulate short-term rentals for less than seven (7) days, with a short-term rental being defined as a rental less than 29 days. Lindsey reiterated that short-term rentals cannot be prohibited for more than six (6) and less than 29 days. However, these can be required for a consecutive period, over 180 days; you can limit property owners from renting half of the year, but not from renting altogether. Lindsey continued that a fee can be charged for permitting, but it can not be unduly restrictive; and no guidance is given to interpret these laws. The Mayor asked for clarification if current short-term rentals with Conditional Use Permits can continue to operate if a new ordinance is passed. Lindsey replied, yes, Wis. Statute 62.23 removed a lot of the City’s discretion for Conditional Use Permits; it’s stated that once a conditional use is granted, it remains so long as the permit holder complies with the conditions of the permit. He continued that there again is no direct guidance, but that the short-term rental statute does require the short-term rental operator to comply with any licensing ordinance adopted by the municipality. Albert Eitsert stated why not look into solutions to solve the housing problem, rather than restrict businesses (i.e., short-term rentals) that bring customers to the community. Maziasz stated that it’s not a matter of restrict, but to manage and be proactive to better fit the needs of the community. Anderson added that nice looking communities do not get that way without restrictions, and that while there is open/buildable land within the City, it is not necessarily for sale. Broberg moved to close the floor, seconded by Novachek. Motion carried unanimously. Motion to approve the conditional use permit passed; McGrath abstained.

Discussion & Referral to Plan Commission of Request to Vacate South 10th Avenue West from Omaha Street North to the Alley (140 feet), Mark McGinley and Rick Gruebele - Petitioners

– Novachek stated most of the neighboring landowners are in support of vacating. During discussion it was noted that there is no existing road, the area is wooded and has a ravine. Novachek moved to vacate S 10th Ave W for the section indicated, seconded by Broberg. Motion carried unanimously.

Discussion & Recommendation on Acceptance of Donation of Real Property Along East Memorial Park Drive and Intended Uses

– Novachek moved to accept the donation of property along E Memorial Dr. and thanked Don Ekstrom for his generosity, seconded by Tulowitzky. The Mayor suggested that with the condition of non-motorized use that some width restricting gates be installed. Motion carried unanimously.

Discussion & Action on Ordinance 21-004 to Regulate the Operation of Short-Term Rentals

– The Mayor began discussion stating that the purpose of this ordinance would be to streamline process for short-term rental permits, to better regulate and to provide better enforcement for violations. Lindsey stated that any restrictions that are placed there must be substantial evidence to have them. Discussion continued regarding number of bathrooms required. Broberg moved to table action, seconded by Novachek. Lindsey requested that written feedback, from Council and the public, be given well in advance on the next meeting rather than, in this case, an hour before the meeting. Broberg questioned if there was a basis for the \$500 fee. The Mayor answered that it was based on the assumed amount of time for processing a license application. Maziasz added, regarding the comment made about prorating the fee based on number of bedrooms, that the

processing time would be the same for five (5) bedrooms as it would for one (1) bedroom. Discussion continued. Motion carried unanimously.

Discussion & Action on Development Agreement with Washburn Iron Works for Relocation of Sewer Main/Iron Works Expansion – Kluver stated that an agreement has not been finalized between all parties. No action occurred.

Discussion & Action on Agreement with Ayres Associates Inc. for Engineering Services Related to Washburn Iron Works Sewer Main Relocation Project – Novachek moved to approve the agreement with Ayres Associates Inc. for engineering services, seconded by Broberg. Motion carried; McGrath abstained.

Discussion & Action on Acceptance of Bid and Award of Contract for N. 10th Avenue W. Resurfacing Project; Action on Other Options if Bid is Rejected – Broberg moved to accept the bid and award the contract for N 10th Ave. W resurfacing, and to prepare a budget amendment to cover costs, seconded by Novachek. Motion carried unanimously.

Discussion & Action on Authorizing Notice for Santa Leyenda LLC, at 901 W. Bayfield Street, for Issuance of a Class “B” and “Class B” Alcohol License – The Mayor began by stating that the City continues to work with Badger Colish for the development of a brew pub and that Mr. Colish is moving forward by purchasing the vacant lot next to the Brokedown. Anderson moved to deny the “Class B” Intoxicating Alcohol License for Santa Leyenda LLC, but to approve the notice for a Class “B” Fermented Malt Beverage License, seconded by McGrath. Anderson asked if there were any Reserve Licenses available. Janisch answered no. Anderson asked if the City could purchase a License from a neighboring town. Kluver stated that he would explore this possibility. Discussion continued. Lindsey suggested to amend the motion to include allowing for the reapplication of a “Class B” Intoxicating License within three (3) months if one becomes available. Anderson amended the motion to deny the “Class B” Intoxicating Alcohol License with the ability to reapply with three (3) months, and again to approve the notice for a Class “B” Fermented Malt Beverage License for Santa Leyenda LLC, McGrath agreed with the amended motion. Motion carried unanimously.

Discussion & Action on Request to Allow for Open Container on Harbor View Event Center Property for the North Coast Car Show on July 24, 2021, from 9:00 a.m. until 7:00 p.m. – McGrath moved to approve the request to allow for open container at Harbor View Event Center for the car show on July 24th, seconded by Tulowitzky. Motion carried unanimously.

Discussion & Action on Request to Close Central Avenue from Bayfield Street North to Alley on Friday, July 23, 2021 for Family Street Dance Sponsored by The Club – Lynda Warren, Petitioner – McGrath moved to approve the request to close Central Ave. from Bayfield St. north to Alley on July 23rd, seconded by Novachek. Motion carried unanimously.

Adjourn – Motion to adjourn by Novachek, seconded by Broberg. Motion carried unanimously. Meeting adjourned at 7:07PM.

Tony Janisch, Assistant City Administrator

FINANCE COMMITTEE MEETING 4:30pm

Committee Members Karen Spears-Novachek & Mary McGrath reviewed monthly expenditure vouchers.