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PLANNING COMMISSION MEETING

Village of Pepin Municipal Building

Wednesday October 2, 2024, at 6:00 pm

MINUTES

1. **Call meeting to order** – Randy Kallstrom called the meeting to order at 6 pm.
2. **Roll call** – Members present were Randy Kallstrom, Tom Latane, Kevin Sandwick, Dan Fedie, Pat Sandstrom, Mike Michaud, and Jeff Heit.
3. **Approval of Meeting Minutes from meeting on 08.28.2024** – Pat Sandstrom made a motion to approve the minutes from 8/28/24. Seconded by Tom Latane. Motion passes.
4. **Discussion/Action on Chapter 115 Short-Term Rentals Regarding possible need for Chapter 115 Short term Rentals ordinance changes due to changed circumstances regarding High-Speed Fiber availability throughout the Village and increased wedding venue activity –**

Mike explained that this item was sent to the Planning Commission by the Village board to determine whether changes are needed to the Village Short Term Rental Ordinance due to the recent eminent availability of High Speed Internet to all residences in the Village, and because of construction of a Wedding Venue location in the nearby area. The Short Term Rental Ordinance calls out a specific role for the Planning Commission to be the entity to recommend changes to this ordinance. The Village Board requested a report on the matter in ninety (90) days.

He stated that he has heard concerns from Village residents about the impact of STRs on school enrollment because of possible reduced availability of homes to buy, that all homes sold in the Village turn into STRs, and concerns about noisy groups late at night on weekends. He stated that this would be a good opportunity to come to some agreement on a set of facts that could be relied upon to determine if or what actions might be needed.

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Mike provided packet materials that showed that as of last July we have 25 licensed STR locations, with a total of 19 in the Residential Zone and 6 in the Commercial Zone. Some locations have more than one dwelling unit. There are 22 dwelling units in the Residential Zone and 10 in the Commercial Zone. There are also Motels and the Lumberyard Building (which is a licensed Hotel) that are not licensed by the Village.

Mike also presented packet material data he has gathered from searches of property sales in the Village for the years 2021 through 2023. In those years there were 43 property sales, of those, only 8 locations are STRs, four in the Residential Zone, and 4 in the commercial Zone.

Many comments were received from attendees at the meeting. There were concerns from STR license holders that the Village was about to impose a seven day minimum stay requirement on them and that this would negatively impact their business. There was a suggestion that we do a school enrollment study to determine how many Village property owners have children in the school. There was another suggestion that we determine how many homes are second homes that are not full time residents. Pat Sandstrom reported that she checked on the school enrollment levels, and they have been steady and not dropped since the STRs have been established. Another question asked was whether STR owners have their Children in the school? A comment was made that the High Speed Internet could actually attract families with Children to move here and allow people to work from home.

Tom Latane asked what is the proportion of the houses we have that have full time residents in them versus STRs? When do you have so many STRs that you no longer have a community? A comment was made that we could look at residential water utility customers to find out how many residences we have.

Pat Sandstrom reported that she got some financial data from the Tourism Commission chair that showed that in the last eight quarters, \$2.3 Million dollars was spent on lodging in the village from our 8% Room Tax revenue. The Tourism Commission has received \$135,000 to spend on promoting Tourism that keeps our businesses open. From that tax amount the Village has received \$54,205 to help keep our taxes down. She stated that we need to support these local businesses and help keep them going.

Mike Michaud stated that the intent here is not to shut down the existing licensed STR businesses, but rather to control future growth. Randy Kallstrom pointed out that we must listen to all the residents, not just the

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STR business owners. He asked the question how many STRs do you think the Village can withstand? A comment was made that there are way more snowbird homes than STRs.

Sue Fedie commented that there is a lot of misinformation out there about STRs in the village. One person told her there were 60 of them in town. People hear things on the street and don't bother to check out the facts. We need to get the facts out there.

There was a comment that they heard the Village was trying to force a seven day minimum stay requirement on existing Licenses. Mike stated that there is no preconceived agenda for that here and the topic was only brought up at the Board meeting as an example of what other Cities in Wisconsin have done to control impacts from operation of STRs. Mike said we don't have enough facts to consider whether that would be prudent here. Paul Worth said it sounds like you are trying to get ahead of the game here by having a plan in place in case something does change? Randy Kallstrom stated that his biggest concern is the lack of long term rental units situation in the Village, there are essentially no places available now to rent long term and making sure we have a financially viable community going forward.

There was some discussion of how the STRs pay property taxes like any other property, and how the sewer and water bills are largely fixed payments that don't vary much with actual water usage. They would love to have usage in the winter months too.

Jeff Heit stated that in the nine months since he has been zoning administrator, he has only received two calls about homes for sale where they were inquiring about rules for STRs.

One commentor stated that they are paying a significant amount of property tax and hiring two high school workers to help and feel like they are making a significant financial contribution to the Village and need the STR revenue to help pay the mortgage. The long term rental rates may not be sufficient to help meet the mortgage payments.

Tom Latane offered that nobody here is thinking of cutting back on these but rather looking ahead to see if these STRs could perhaps become too large a percentage of our housing.

Denise Parker from the Tin Roof offered that many tourists stop in to ask about businesses in Pepin, where to eat etc. Some weekends it's all wedding people, sometimes all campgrounds' people. There are not enough locals to support our businesses.

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Denise pointed out that the Tourism Commission uses Room Tax dollars to support things like the Boat Launch Ramp, The Fish Cleaning Shack, Pepin Days, and Laura Ingalls Wilder days. Without tourists coming in we couldn't afford to do that.

There was a question about how a resident could keep up on what is happening at these meetings? Mike explained that the topics for meetings are on the agenda which is posted around town in three places and on the village Internet site. The Commission would take 90 days to study the situation and make a recommendation to the village Board by the end of the year. The Board would then decide what they want to do with the recommendations and if they wanted to implement something, they would refer it to the Ordinance Committee to write the detailed language needed for the ordinance. There would be posted Agendas for that Committee and Public Hearings on any proposed language that the committee comes up with.

Mike said one thing to consider about this issue might be the density of these STRs, right now we have one spot on First street and Pine Street where we have three STRS near that intersection. Right now, I don't think we have a problem there but what about the future? Dan Fedie pointed out that there is a larger cluster on First street covering more blocks and the weekend before last weekend there were seven vehicles blocking First street near Pine Street that effectively made the street a one way. Randy pointed out that we had to restrict parking at the west end of First street a few years back because of STR parking.

A comment was made about the need for stability in the regulations for Commercial activities in order to predict whether to make investments. Mike pointed out that our Zoning Regulations allow lodging in the Commercial Zone, it is not allowed in the Residential zone, that is why we created the STR Ordinance in the first place and made it a conditional use.

Mike suggested that if there is any information that you wanted us to consider on this topic, put it in writing and submit it to the village Clerk so it makes it into our packet for the next meeting.

Dan Fedie revisited the parking issue suggesting the STR ordinance reference to Chapter 71 needed to be stronger about specifying how many off street parking spaces are required. Mike stated that in the residential Zoning Code it says that all residences shall have two off street parking spaces, so there is a presumption that any applicant for a Conditional Use Permit for a STR License will come in the door with at

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least two off street parking spaces to begin with. We left the language flexible in the STR ordinance.

Mike Made a motion to table this discussion until the next meeting. Pat Sandstrom said what is our goal here, the agenda item includes this as an action item? Tom Latane suggested that we could decide what percentage of our residences that could be used for STRs could be determined. For example, if 90% of our residential housing units would be STRs then everyone else, the 10% would have to be on the village Board. A comment was made that if all residences were STRs then STR owners would have no staff. Another comment was made that it is difficult now for businesses to find enough staff. Another comment was that we need a larger group of housing locations to begin with.

Mike renewed his motion to table this item with the expectation that we can bring more information to the table for us to digest. Tom Latane seconded the motion. Motion passes.

5. Discussion/Action regarding updates to the Village Zoning Map –

Mike Michaud introduced a list of items from the last meeting and things he is aware of that might need to be addressed. He suggested we could build on this list as we figure out what changes we need to make to the map.

Jeff Heit brought up a new problem we have on the east side of the 300 Block of Dunn Street. The lot lines on the map don't line up with the house locations. The property owners are trying to get a new survey that they agree on that will need to be reflected on our new map.

Tom Latane pointed out we need to identify what is going on in block P between Washington & Cedar and fourth and fifth St. Also what is going on in Block 6 where there is a diagonal White are extending into Blocks 3 & 4.

Mike Michaud suggested the area east of Boyd St between Second and Third St needs to be examined, there used to be one small cabin there, now there are three lots.

There was discussion about the distinction between original lot lines, CSM maps and current ownership. Jeff asked if some one wanted to put a shed in a certain spot how would he know if it was alright to issue a LUCR? How would he identify ownership? It was suggested he would have to go by a Certified Survey Map (CSM). Tom indicated that

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ownership stats could include parts of multiple lots and would not necessarily follow existing lot boundaries. Mike Michaud pointed out an example at 1112 Cindi's Court where the owner purchased part of an adjacent lot had a CSM drawn up and now the County GIS Map shows the new ownership status rather than the original lot layouts. Randy asked whether we should ask Maria up at the county how to resolve this issue. Mike suggested that since they went through the process of getting a CSM, got Board approval, and filed the CSM at the county that now there is just one lot.

Dan suggested that we should not change the boundaries on this existing map even if there is a CSM map showing new ownership boundaries. Mike pointed out an example one instance where Bill Dondlinger merged three lots into one, part of what was merged was zoned Commercial another part residential, we now need to decide how to zone the merged lots. How would we implement that on our new map unless we drew the boundaries according to the CSM? Dan pointed out the southwest corner of Block 50 where ½ of one lot is commercial and the other residential. He stated we should keep the lot boundaries and draw zoning areas on top of the existing descriptions on this map.

Dan said he has looked at the Planning Commission meeting notes going back but has not found them all. He has a list of things from his review to include.

Tom Latane asked about a series of residential lots down by the Marina area. We should study what we need to do there.

Mike stated the fundamental issue here is whether we will use the County GIS system map boundaries or not. Dan suggested that redoing this map to shown ownership would be a big project.

There was discussion of defining what can be done in the public Zone when we write the new section in the Zoning Ordinance.

Mike volunteered to talk with the County and with Jon Siefert about what base map we should be using, the existing Zoning Map from 2008 or the County GIS map.

6. **Set next meeting date** – To be determined.
7. **Adjourn** – Motion to adjourn by Mike Michaud, seconded by Tom Latane. Motion passes.

Mike Michaud

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Secretary