

Update: Analysis of Short-term Rentals in Town of Sevastopol

Compliance to DATCP Licensing, POWTS Sanitation Requirements and the Nature of ownership

Town of Sevastopol Plan Commission

29-OCT-2020



Updated Analysis

- State DATCP licensees vs Door County Tourism Zone Commission Permit holders
 - Minimize potential date disparities by comparing July vs July data
 - Get feedback on non-renewal wrt Covid19
 - DCTZC license holder status from 2018-2020 vs. DATCP 2020 Status
 - New:
 - Compare DATCP license compliance percentage w/ other Door County municipalities on DCTZC May 2020 report and WI DATCP July 2020 report
 - New: Updated for latest DATCP report, dated October, 6, 2020
- New: Range of minimum stays for Sevastopol STRs for peak and off-peak timeframes

Background

- Short-term Rentals (STRs) have become a growing lodging option in Wisconsin
- Changes in WI state law (Act 59) resulted in regulations for operating STRs, including provisions for municipalities to collect rental taxes and to enact ordinances regulating STRs
- Four areas of interest to examine by the Town of Sevastopol in considering a Short-term Rental ordinance
 - How many Residential Dwelling STRs are in Sevastopol?
 - Do these Residential Dwelling STRs have their Tourist Rooming House license as required by the WI Dept of Agriculture, Tourism and Consumer Protection (DATCP)?
 - How many of the Residential Dwelling STRs are locally owned?
 - To what extent do STRs adhere to Personal Onsite Wastewater Treatment System (POWTS) capacities in their listings?

DCTZC Lists 66* Residential STRs for Sevastopol

- Door Co. Tourism Zone Commission (DCTZC) monitors and reports on lodging sites in the county
- The DCTZC Permitted-Properties May, 5 2020 report lists 1272 permit numbers for lodging facilities in Door County
- DCTZC lists 79 permits for lodging facilities for Sevastopol as of July 2020
 - 66 – Residential Dwellings
 - 1 - confirmed Covid19 non-renewal per DCTZC
 - 7 – To Be Determined
 - 5 – Haven't filed w/ DCTZC, but active on-line
 - 13 - Other Lodging Facilities (hotels, B&Bs, etc)
- 60 (91%) of Residential Dwelling STRs are located near the shores of Green Bay and Lake Michigan
- 24 (35%) of Town of Sevastopol Residential Dwelling STR owners list 54235 as their tax billing zip-code



* Sept 17, 2020 report listed 67 Residential dwelling STRs for Town of Sevastopol. There is only one confirmed DCTZC non-renewal as of the July 2020 Permitted Properties Report.

Only 56% * of Sevastopol's Residential Dwelling STRs are licensed by WI DATCP

- WI law requires that owners offering short-term rentals must acquire a license before they can list their property for availability, including passing a pre-license inspection, per s. ATCP 72
- WI DATCP license term runs annually, from July 1 to June 30
- WI DATCP publishes a report on lodging licensees, the latest available is Oct. 6, 2020

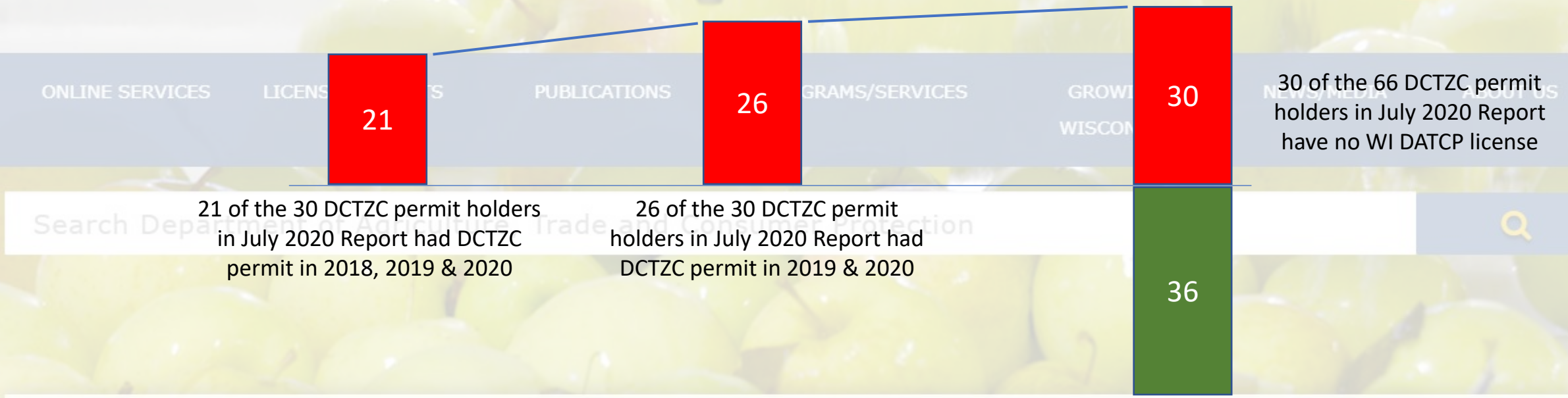
<https://datcp.wi.gov/Documents/LicensedFacilitiesLodging.csv>

- For the 66 Residential Dwellings listed in the DCTZC May, 5 2020 Report:
 - 37 (56%) of STRs recognized by DCTZC are licensed to operate as a Tourist Rooming House by WI DATCP. One additional dwelling has obtained a Tourist Rooming House license

- Note: An additional Three (3) Tourist Rooming Houses listed in the DATCP report are not in the DCTZC July 2020 Report.

* Was 55% in the Oct. 1, 2020 Plan Commission report.

70% of non-DATCP Residential Dwelling STR Licensees for Sevastopol held DCTZC Permits Going Back to 2018



Updated: Estimated Residential Dwelling STRs DATCP Compliance in Door Co. is 68%

Door Co. Residential STR Compliance

Top 10 WI # of Lodging Licenses

WI County	# DATCP Licenses
DOOR	991
VILAS	880
SAWYER	492
ONEIDA	409
BAYFIELD	355
WALWORTH	355
SAUK	285
BROWN	274
ADAMS	197
ASHLAND	163
-	-
Total	7953

12%

**

Door Co. # of Lodging Licenses

DATCP Licenses - All Lodging Types			
DC Municipality	# DATCP Facilities	#DCTZC Permits	DATCP Compliance
BAILEYS HARBOR	80	104	77%
CITY OF STURGEON BAY	76	98	78%
TOWN OF CLAY BANKS	4	7	57%
TOWN OF EGG HARBOR	88	119	74%
TOWN OF FORESTVILLE	1	2	50%
TOWN OF GARDNER	11	22	50%
TOWN OF GIBRALTAR	113	161	70%
TOWN OF JACKSONPORT	46	62	74%
TOWN OF LIBERTY GROVE	120	179	67%
TOWN OF NASEWAUPEE	30	50	60%
TOWN OF SEVASTOPOL	47	79	59%
TOWN OF STURGEON BAY	26	31	84%
TOWN OF UNION	3	6	50%
TOWN OF WASHINGTON	59	84	70%
VILLAGE OF EGG HARBOR	49	69	71%
VILLAGE OF EPHRAIM	67	87	77%
VILLAGE OF SISTER BAY	90	112	80%
Total	910	1272	72%

DCTZC data from May2020 Permitted Properties Report

Estimated Residential Dwelling STR DATCP Compliance *

DC Municipality	#DATCP Facilities	# DCTC Permits	Est. DATCP Compliance
TOWN OF LIBERTY GROVE	95	146	65%
TOWN OF GIBRALTAR	85	127	67%
TOWN OF EGG HARBOR	76	101	75%
VILLAGE OF SISTER BAY	70	91	77%
BAILEYS HARBOR	55	76	72%
TOWN OF SEVASTOPOL	37	66	56%
CITY OF STURGEON BAY	41	61	67%
TOWN OF WASHINGTON	37	59	63%
VILLAGE OF EPHRAIM	38	54	70%
VILLAGE OF EGG HARBOR	37	49	76%
TOWN OF JACKSONPORT	35	49	71%
TOWN OF NASEWAUPEE	18	36	50%
TOWN OF STURGEON BAY	22	26	85%
TOWN OF GARDNER	6	15	40%
TOWN OF CLAY BANKS	4	7	57%
TOWN OF UNION	3	6	50%
TOWN OF FORESTVILLE	1	2	50%
Total	660	971	68%

* Estimated DATCP compliance based DCTZC Lodging #Units=1, which is typically a Residential Dwelling

** Delta of 81 DATCP licenses indicates Door Co. STRs registered by State that is not recognized by DCTZC. Further analysis required to verify compliance.

- Door Co. DATCP compliance for all lodging types is 72%
- Residential Dwelling STRs represent About 76% (971 of 1272) of all DCTZC permits
- DATCP compliance is a state & county-wide challenge, driven by Residential Dwellings

55% of Sevastopol Residential STRs advertised listings exceed their POWTS capacity

- 47 Sevastopol STR website occupant capacity listings were available to compare to the Personal Onsite Wastewater Treatment System (POWTS) details for the dwelling as provided in the Door County Land Records Municipal tab
 - Septic Tank & Holding Tank capacities were used as a proxy to determine number of bedrooms and max number of occupants (#occupants = #bedrooms x 2 persons per bedroom per WI statute)
- Preliminary Finding: Majority of Residential Dwelling STRs Exceed POWTS Capacity in Advertised Maximum No. of Occupants
 - 21; 45% of STRs listings have max. occupants \leq POWTS capacity
 - 17; 36% of STRs listings have max. occupants of 2-4 persons $>$ POWTS capacity
 - 9; 19% of STRs listings have max. occupants of 6-9 persons $>$ POWTS capacity
- Note: 18 of the 26 over-capacity Residential Dwelling STRs listings have a DATCP license

Example: POWTS Analysis for a Sevastopol STR

3780 Glidden Drive
 DCTZC Permit: 33-56-1872-01 ¹
 WI DATCP License#: MMAH-AG2JPX ²

LISTING
 Maximum Occupancy: 10
 Bedrooms: 4
 Bathrooms: 2.5

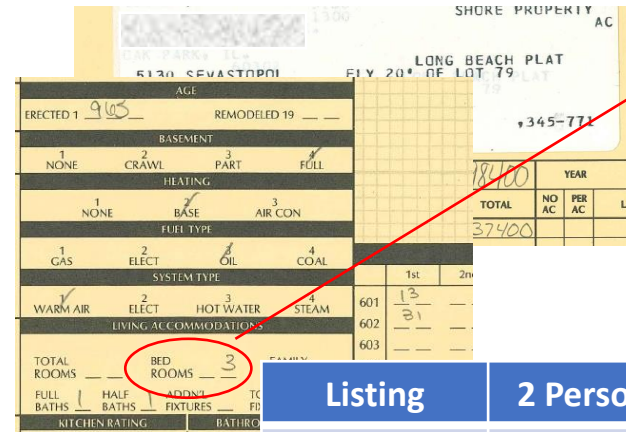
1. Estimate Max. Occupants Based on Tank Size



- Tank size listed at **500 gal.**
- Tank size/bdrm rule of thumb = 313 gal.
- #Bedrooms Estimate = 500gal/313gal or 1.59 bdrm (Round to 2)
- Estimated #Occupants = 2 bdrm x 2 persons/bdrm = 4

Listing	POWTS est.	Gap Estimate
10 persons	4 persons	6 persons over limit

2. Verify Actual #bedrooms in Town Records

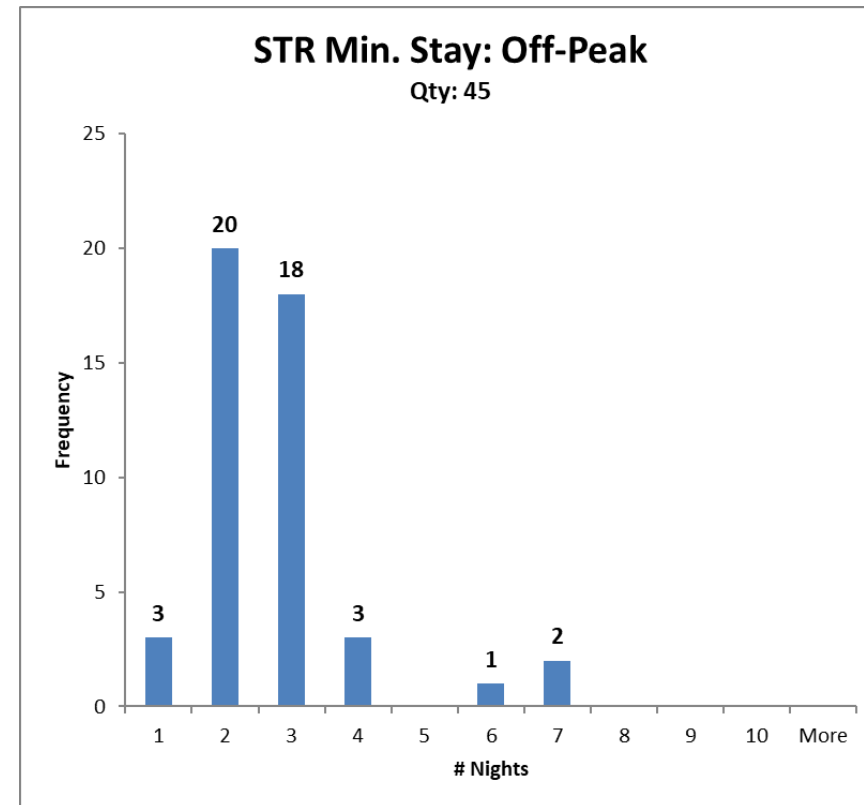
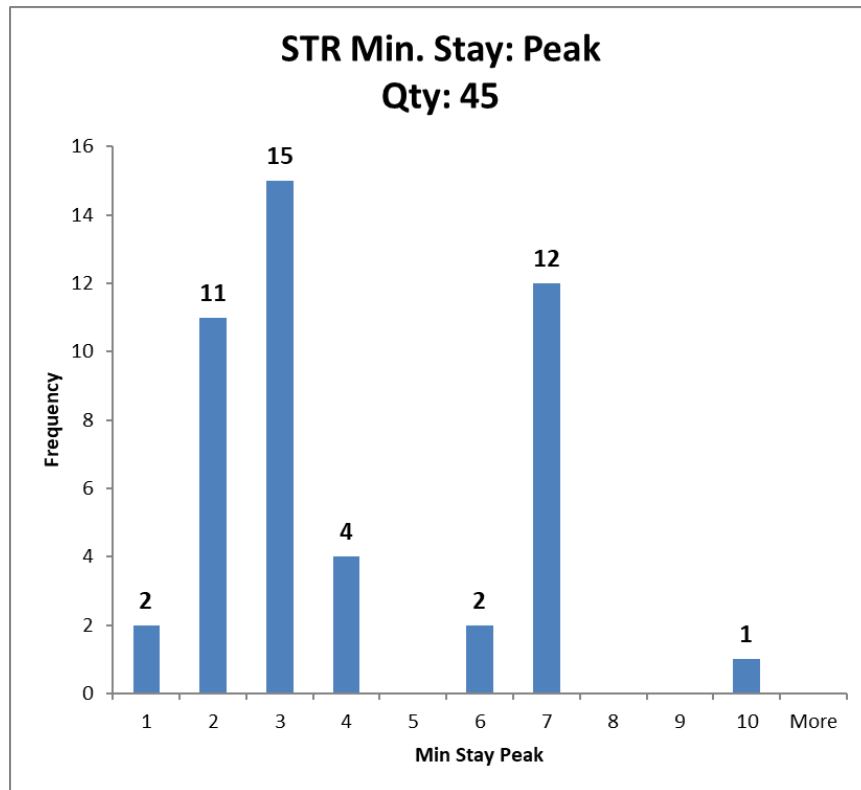


- Actual Number of Bedrooms: **3**
- #Occupants = 3 bdrm x 2 persons/bdrm = 6
- Actual maximum capacity based on state law of 2 persons per bedroom is 6 persons

Listing	2 Persons/Bdrm	Gap Actual
10 persons	6 persons	4 persons over limit

1. [DCTZC Current Permit Holders List May 20, 2020](#)
 2. [WI DATCP Recreational Facility and Lodging Licenses](#)

New: Most Residential STRs Require Higher Minimum Stays During Peak Season



- Sample size is 45 of the 67 total STRs, where on-line listing data was available
- During Peak season, 71% required a minimum stay of 3 nights; 33% required six or more
- 23 dwellings had Off-Peak of 2 days or less, roughly half of all STRs in the sample

Summary and Next Steps

- Having a DCTZC permit does not imply the Owner has a DATCP license
- Majority of STRs in Town of Sevastopol do not have a DATCP license. Discuss how to notify owners & state
- WI DATCP licensees not in DCTZC warrants further discussion and confirmation of visibility of STRs to the Town and County
- Majority of residential dwelling owners live outside of the area, supporting the need for local contact requirements in an ordinance
- Number of DATCP licensed dwellings listed over capacity warrants additional follow-up w/ state on inspection process (currently awaiting a response from DATCP)
- 91% of STRs are near the Green Bay and Lake Michigan shores, and a majority of sampled STRs advertise capacity beyond POWTS. Therefore, further research is required on remaining 20 properties to verify listing vs POWTS and confirm actual capacity for over-capacity dwellings; follow-up with county sanitarian and town counsel