

DESCRIPTION: Applicant requests a CUP for short-term rental / transient or tourist lodging, for their second home on Lake Kegonsa.

OBSERVATIONS: The property is in residential use and is less than one acre in size. The neighboring land uses are residential on most sides, and agricultural / open space to the south. The property is located in the Harriet Colladay Subdivision, a residential subdivision from 1957. Transient or tourist lodging is listed as an allowable conditional use in the SFR-08 zoning district.

The lot and its improvements appear to comply with applicable building setbacks and lot coverage requirements under the SFR-08 zoning district and Shoreland Zoning ordinance.

RESOURCE PROTECTION: The property is within the Shoreland Zone due to proximity to Lake Kegonsa. No new development is proposed with this petition.

COMPREHENSIVE PLAN: The property is located in the town's limited service area (sewer service area). It is important to note that state law (Wis Stats 66.1014) includes protections allowing the short-term rental of residences for periods of 1 week or longer. Local governments may require a permit to be obtained, but may only limit rental use to periods of at least 6 months (either consecutive or non-consecutive) in any consecutive 365-day period.

Local governments may also enact licensing ordinances. The Town of Dunn has enacted such an ordinance, which requires a license and limits rentals to periods of 7 days or more and 180 total days per year. Note that all short-term

rentals must be licensed through Public Health Madison & Dane County (PHMDC) and inspected annually to verify the operation meets all requirements of Wisconsin law related to general public health. The zoning code includes standard conditions of approval that require adherence to all applicable local, state, and/or federal regulations.

Based on the information provided in the application materials, it appears the proposed conditional use falls within the protections found in state law and would meet the licensing requirements of the Town of Dunn. The proposed conditional use appears reasonably consistent with comprehensive plan policies. For questions about the comprehensive plan, please contact Senior Planner Majid Allan at (608) 267-2536 or allan.majid@danecounty.gov.

CONDITIONAL USE PERMIT DECISION MAKING: "Conditional uses" are those land uses which, because of unusual nature and potential for impacts on neighboring lands, public facilities, the environment or general welfare, warrant special consideration and review.

Prior to granting or denying a conditional use, the zoning committee shall make findings of fact based on evidence presented and determine whether the proposed conditional use, with any recommended conditions, meets all of the standards required to obtain a CUP. Below is the list of the applicable standards from Section 10.101(7)(d) of the Zoning Code, and a summary of the relevant facts including the applicant's testimony with regards to meeting the standards.

1. That the establishment, maintenance or operation of the conditional use will not be detrimental to or endanger the public health, safety, comfort or general welfare.

The CUP application describes the proposed rental operations plan and house rules. The applicants state they will maintain the property for most of the year, will screen guests prior to renting the unit, that pets will only be permitted for special purposes (e.g. service animals), parking will be limited to 6 spaces in the garage and driveway. They also have security cameras installed on site.

There is no planned construction, no outdoor signage, and no outdoor storage proposed. All short term rentals must be licensed through Public Health Madison & Dane County (PHMDC) and inspected annually to verify the operation meets all requirements of Wisconsin law related to general public health. Some towns require applicants to provide their contact information to neighbors as a condition on the license or CUP (see below).

2. That the uses, values and enjoyment of other property in the neighborhood for purposes already permitted shall be in no foreseeable manner substantially impaired or diminished by establishment, maintenance or operation of the conditional use.

The owners indicate that off-street parking is provided and required for tenants, and rental rules will set restrictions on noise and light, pets, parking, the number of visitors and length of stay.

Some or all of these measures were made into conditions of approval for the CUP. For example, limits on the number of guests and establishing quiet hours are commonly used to control noise, which is the most common concern that arises with short-term rentals. The house has 5,000 square feet of floor area, 5 bedrooms, 4 bathrooms, and a boathouse that is described on Zillow.com as "oversized". While this is allowable under the property's zoning, it may attract large groups looking for a rental space for events and parties. CUP conditions might include limits on number of guests and guest vehicles, quiet hours, and requiring the property owner to provide their contact information to nearby neighbors so that they can be reached in the event of a disturbance that requires immediate attention.

3. That the establishment of the conditional use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

Applicants state that the majority of the neighborhood is already developed for residential use, and should the Town choose to develop the field/park across the street (currently zoned UTR), there is no foreseeable reason that renting out this house would impede the surrounding property development or improvement.

This standard pertains to whether the proposed conditional use would affect how the surrounding properties could be developed and improved, considering what they are currently zoned for. This property and most of the surrounding properties are already developed as single-family residential lots, and no exterior changes to the property are proposed in association with the proposed conditional use. The lands to the south are undeveloped; the proposal is not expected to impede the development of that land.

4. That adequate utilities, access roads, drainage and other necessary site improvements have been or are being made.

The utilities, access roads, drainage, and other improvements needed for the proposed use are comparable to those necessary for a single-family house that is not used for short-term rentals. The property is served by a well, and a shared grinder pump serviced by the Kegonsa Sanitary District for wastewater.

5. That adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.

Off street parking is provided for the property by an existing driveway and garage. No changes are proposed. The applicants provide garage parking for 3 vehicles, would require guests to park off-street, and that they will limit the number of guest vehicles to 6.

6. That the conditional use shall conform to all applicable regulations of the district in which it is located.

The proposed use conforms to the applicable regulations of the SFR-08 zoning district. Transient or tourist lodging is listed as an allowable conditional use in the zoning district. The property currently complies with shoreland zoning regulations.

7. That the conditional use is consistent with the adopted town and county comprehensive plans.

The applicants are verifying with the town and county that their proposal is consistent with applicable plans. As noted above, the proposal appears consistent with the Town and County Comprehensive Plans.

8. If the conditional use is located in a Farmland Preservation Zoning district, the town board and zoning committee must also make the findings described in s. 10.220(1).

Not applicable.

POTENTIAL NUISANCES ASSOCIATED WITH THE CONDITIONAL USE: The potential nuisances that pertain to short-term rentals typically involve noise, vehicle traffic, and sanitary waste management. The CUP application addresses how these potential nuisances are handled as noted above. Because this property provides a large house and boathouse that may attract guests looking to host parties or large gatherings, conditions on the permit may be warranted to minimize the potential for disturbance to neighbors (see staff recommendation below). Potential conditions of approval specific to this CUP can be developed after public input and deliberation by town and the ZLR Committee. Under Dane County Zoning Ordinance section 10.103, there are no other special requirements for short-tern rental operations.

TOWN ACTION: Pending.

STAFF RECOMMENDATION: The Town of Dunn is still reviewing the petition, and Zoning Staff has received comments expressing concerns about the proposal, specifically concerns about problematic behavior observed by other renters in this area. They have suggested that if the proposal is approved, rules be posted on site addressing watercraft use, noise limits, vehicle parking, underage drinking, illegal drug use, and that this information be given to neighbors with contact information for the owner and the authorities if the rules are violated.

Staff recommends <u>postponement</u> at this time due to public opposition and the need for town action, in accordance with the ZLR Committee's adopted rules and procedures. We also recommend that the ZLR Committee determine whether they have sufficient facts and information from the applicant at this time. If more information is needed it can be requested at the public hearing.

Please contact Rachel Holloway at (608) 266-9084 or *holloway.rachel@danecounty.gov* if you have questions about this petition or staff report.