

A Case for a Jacksonport Short Term Rental Ordinance

The vacation rental industry has evolved significantly over the last decade. The emergence of AirBnB and VRBO has enabled an increase in short term rental properties across the country, including Door County. Whereas in the past, vacation rentals were dominated by local owners renting by the week/month, the profit potential of using AirBnB/VRBO has resulted in non-local investors purchasing properties and converting them to short term rentals. The increase in short term rentals has had positive and negative impacts on both large and small communities.

Short Term Rental Impacts

On the positive side, short term rentals (STRs) increase tourism generating tax revenues for local and state government and helps property owners earn extra income. There is an initial increase in property values from investor demand which benefits property sellers. STR guests spend money at local restaurants and businesses helping the local economy.

The term social capital refers to community assets that are hard to quantify but are vital for community health and resilience. Examples are the relationships among neighbors and contributions made by residents for the benefit of the community. When a home that was occupied by a full-time, or even seasonal, resident is converted to an STR there is a loss of social capital. In addition, there can be tangible impacts from bad acting STR guests as has been experienced in Jacksonport, such as trash and litter left behind or deposited in public parks, excess noise, uncontrolled dogs, overtaxing septic systems from too many occupants, unauthorized use of neighboring properties, and parking problems. Often remote, as opposed to local, STR owners have been unhelpful in addressing these issues when they have occurred.

As STR numbers increase in a community, the initial escalation in land and house prices caused by STR investors begins to wane and eventually reverses. The impacts of short term renter behavior can create negative nuisance perceptions turning off prospective new full time or seasonal residents, which negatively impacts property values.

Longer term, the most significant negative community impact from the increasing presence of STRs is the reduction in the number of long term rental options, making it difficult for lower income individuals and families to find affordable housing. This situation has occurred across the country, and has been especially pronounced in smaller vacation destination communities where out-of-towners purchasing investment properties has crowded out locals. This impact from reduced housing availability for locals has been termed the "AirBnB Effect". (see <https://mulawreview.scholasticahq.com/post/2332-the-role-of-airbnbs-in-america-s-housing-crisis> for an analysis of this phenomenon)

A recent illustration of an "AirBnB Effect" impact comes from near Sequoia National Park in California:

"In Three Rivers, my little Tulare County town of just under 3,000 people seated at the gateway of Sequoia National Park, short-term rentals comprise 22% of the housing, almost eliminating long-term rentals. The few long-term rentals competing with STRs are exceedingly costly, making it difficult for the

National Park to retain employees who cannot afford where they live. One permanent employee I spoke with who has a PhD rents an old RV.” (<https://www.sacbee.com/opinion/op-ed/article284851766.html>)

The longer term “AirBnB Effect” impact on small communities from locally unregulated STRs has been described as creating a “Zombie Town”:

“The idea of a Zombie Town . . . it’s this idea that the town is still operating, and anybody who goes there can go to shops, and they can buy things. They can go out to eat, they can have someone serving them, they can stay in a house or a hotel. The town seems to be thriving. But it’s just been hollowed out, where increasingly the people who work the jobs there don’t live there. They have to drive 30 minutes, 40 minutes, an hour away. And the town itself has become just a shell. It’s like a movie set, where people can go and experience it, and experience these beautiful parks, but there’s no sign of the people who maintain them.” (<https://shelterforce.org/2024/02/22/how-short-term-rentals-affect-communities-with-loose-restrictions/>)

Future Implications of increasing STR numbers on the Town of Jacksonport

In 2023, the Town of Jacksonport issued a “Comprehensive Plan 2023-2043”. (<https://jacksonportwi.gov/wp-content/uploads/2023/10/Comp-Plan-T-Jacksonport-compressed.pdf>)

In that plan, the Housing Strategy Goal was stated as:

GOAL

To provide a variety of housing options for rent and giving opportunities for affordable single-family and workforce houses, while keeping in mind the rural residential living style for the existing and future residents.

The associated Housing Strategy Objectives for the goal are:

OBJECTIVES

- Promote developments that provide a range of housing choices to meet the needs of all income levels, age groups, and persons with special needs.
- Encourage and support rural residential living choices.
- Continue the efforts of identifying barriers to residential development and discover alternatives for lowering or eliminating these barriers.
- Encourage a good mix of housing types including workforce houses, single-family, duplex units, multi-family units, and senior housing.
- Promote availability of land for development or redevelopment of low-income and moderate-income houses.
- Identify and utilize government agencies, local neighborhood associations, non-profit agencies, and private sector industries to implement these housing recommendations.

It is logical that a “good mix of housing types” in the fourth housing objective above would and should include STRs given the importance of tourism in the area. In addition, the section of the Comprehensive Plan on Land use states “the town should carefully balance the ratio of residential, work-force, and short-term housing.” However, the future impact of the “AirBnB Effect” on Jacksonport if STRs continue to be unregulated at the township level presents a serious obstacle to nearly all of the Housing Strategy Objectives as well as land use balance.

What has happened recently in Jacksonport from STR activity? Is there a concern that Jacksonport is the only township on the peninsula North of Sturgeon Bay that doesn't have a Short Term Rental Ordinance?

A foreshadowing of the “AirBnB Effect” can be observed using an example of recent changes in residences along a short 400 foot stretch of Highway 57 in the Jacksonport core area:

- A house which had been a year-round family home for decades was sold in 2021, then resold in 2023 to non-local owners (~160 miles away). Starting in mid-2023 the house has been listed on VRBO and AirBnB as a short term rental. This year it has been rented 4-6 times a month since May, while the owners use it only occasionally. There have been instances of excessive noise and use of neighbors’ property for activities, especially by larger groups staying at the house (for example, 10+ adults).
- A cottage which had been used for week-plus seasonal rentals by local owners for decades was sold and re-sold to a non-local owner (~250 miles away) and has been used since 2022 exclusively as a VRBO/AirBnB listed short term rental. During 2023 there were multiple instances of excessive noise from barking dogs left in the cottage by short term renters, and renters’ dogs have been let loose to run freely through the neighborhood and along the beachfront. More recently, some renters have used the neighbors’ property to leave behind trash, empty beer cans and excrement.
- In early 2024, two small homes used by long term multi-year renters, who worked in the local community, were sold to a non-local owner (~200 miles away). The renter occupants were required to move by the new owner by end-April and had to relocate to Sturgeon Bay to find housing. Both homes have been empty since May while the new owner is doing repairs/remediation to begin using them as STRs.

In summary, on this small 400 foot stretch of Highway 57 in the Jacksonport core, just in the last 3 years three former year-round homes occupied by local residents and a long standing weekly seasonal rental cottage have been, or are being, converted to STRs by remote investors/owners. Does this situation represent the future for the entire Jacksonport core area?

What has been done in Door County and elsewhere to slow down or mitigate the “AirBnB Effect”?

The negative impact of increasing numbers of STRs on neighborhoods, especially the reduction of housing availability for residents, has resulted in major restrictions in some locations with a longer history with AirBNB/VRBO. For example, New York City recently limited STRs to 2 guests only and

requires the primary homeowner to be present on the property.
(<https://reasonstobecheerful.world/the-towns-outsmarting-airbnb/>)

The situation today is less severe in Door County. Nonetheless, all of the townships bordering Jacksonport have Short Term Rental Ordinances in effect. These ordinances are meant to control the short term, and hopefully longer term, negative impacts of STRs while continuing to capture their benefits. At minimum, the ordinances allow the townships themselves to monitor the evolution in STR activity and numbers.

Table 1 at the end of this paper lists example provision types from STR Ordinances of the nearby communities. Individual provisions in those ordinances may or may not be fit for purpose for Jacksonport. Useful provisions for a Jacksonport STR Ordinance based on recent Jacksonport resident experience would include:

- Establishment of a Jacksonport Town license to operate an STR, whose granting is dependent on the STR first meeting both Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) and Door County Tourism Zone Commission (DCTZC) requirements
- Establish occupancy limits for each STR based on the design capacity of the Private Onsite Wastewater Treatment System (POWTS)
- Require the owner/operator and/or a manager of any STR to be available 24/7 for issue notification and reside within 25 miles of the STR to be able to address issues that arise. (Note: this provision would require long distance owners to retain a manager within 25 miles).
- Require owners to have guests in STRs control their animals, including maintaining a low noise level and having dogs leashed or tethered when outside on the grounds of the STR and in the neighborhood
- Require STR owners to notify all neighbors within 300 feet of an STR of its presence, and provide them copies of the STR rules provided for the renters
- Establish quiet hours for STRs (for example, 10 pm to 7 am).

In addition, Jacksonport may want to require owners to have on-site refuse pick-up at the STR to avoid trash being left in the neighborhood or public areas.

In a small community like Jacksonport, there is a question of how to enforce an ordinance in the absence of a town police force. First, the presence of the STR ordinance and the understanding of its contents by local residents will allow them to contact STR owners when violations by renters occur. In addition, if it becomes known to the township from community members that an STR has multiple violations of the ordinance, a possible enforcement mechanism would be to not renew the Jacksonport operating permit for that STR.

Hopefully, a Jacksonport Short Term Rental Ordinance will slow or prevent the major negative impacts of the “AirBnB Effect”. If an ordinance with the provisions outlined above doesn’t dampen the long term “AirBnB Effect”, then more restrictive provisions can be added later. For example, any newly established STRs could be required to be owner occupied if rented for a stretch of less than 7 days and/or restricted to only a single rental in any 7 day period. These provisions are presently in the Baileys Harbor and Sevastapol STR Ordinances, applying only to new STRs.

Reduction of the short term negatives of STRs as a result of an ordinance may prevent feelings such as those expressed by a long time Jacksonville resident who lives near the 400 foot stretch of Highway 57 mentioned above: "I am getting sick and tired of the actions and attitudes of the (long distance rental) owners, at times they just make me want to move away".

Conclusion

Adopting a Jacksonville Short Term Rental Ordinance will allow the town to continue to capture positive benefits from tourism while limiting the negative impacts on neighbors. In order to reduce the risk of the "AirBnB Effect" on the town's ability to reach the housing objectives in the Comprehensive Plan and prevent the town core possibly becoming a "Zombie Town", it will be beneficial for the Town Board to implement a Short Term Rental Ordinance sooner rather than later.

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Table 1: Example provisions of Door County Short Term Rental Ordinances

Select Short Term Rental Ordinance Requirements by Location	STR (<29/30 Days) Ordinance	DATCP, DCTZC & Local License Req'd	RV allowed	Max Occupancy Limit	Must be Owner Occupied if Rental is less than 7 Days	Only One Rental every 6-7 Days Allowed	Owner/Operator max distance away	OR Registered Property Agent (24/7) max distance away	Off Street Parking req'd	Guest Animal (Dog) Control Req'd	Neighbors req'd to be notified of STR presence	Quiet Hours
Liberty Grove	Yes	Yes	No	POWTS limit	N/A	N/A	35 miles	35 miles	Yes	N/A	N/A	10 pm - 7 am
Sister Bay	Yes	Yes	No	POWTS limit	N/A	N/A	Egg Harbor /Jacksonport and northward	30 miles	Yes	leash/tether /low noise	Yes - 300 feet	10 pm - 10 am
Ephraim	Yes (1/1/23)	Yes	No	2/bedroom or POWTS limit	N/A	N/A	Inside Door County	Inside Door County	Yes	N/A	Yes - 300 feet	10 pm - 7 am
Gibraltar	Yes	Yes	No	POWTS limit	N/A	N/A	<45 minutes	<45 minutes	Yes	N/A	N/A	10 pm - 7 am
Baileys Harbor	Yes	Yes	No	bedrooms 400 cu ft/ person or POWTS limit	Yes (7/15/23)	Yes (7/15/23)	75 Miles	25 miles	Yes	leash/tether /low noise	Yes - 400 feet	10 pm - 8 am
Egg Harbor	Yes	Yes	No	POWTS limit	N/A	N/A	75 Miles	25 miles	Yes	No dogs at large	Yes - 300 feet	10 pm - 8 am
Jacksonport	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sevastopol	Yes	Yes	No	2/bedroom or POWTS limit	Yes (7/1/23)	Yes (7/1/22)	75 Miles	must be in Door County	Yes	leash/tether /low noise	Yes - 400 feet	10 pm - 7 am
Sturgeon Bay	Yes	Yes	No	2/bedroom or POWTS limit	N/A	N/A	90 minutes	90 minutes	Yes	N/A	N/A	10 pm - 6:30 am