

CITY COUNCIL WORK SESSION MINUTES
MONDAY, SEPTEMBER 13, 2021 ~ 6 P.M.
UNIVERSITY CENTER – HEB ROOM
2818 US 290 E.
FREDERICKSBURG, TEXAS 78624

Kent Myers, City Manager
Daniel Jones, City Attorney
Clinton Bailey, Assistant City Manager and Public Works/ Utility Director
Eric Whiting, IT Director
Brian Vorauer, Police Department Lt.
Officer Luke Smith
Jason Lutz, Development Services Director
Anna Hudson, Preservation Officer
Shelby Collier, Development Services Coordinator
Shelley Goodwin, City Secretary

1. CALL TO ORDER

Mayor Kiehne called the work session of the Fredericksburg City Council to order at 6:00 p.m. on Monday, September 13, 2021.

2. REPORT

A., Proposed Changes to the City Zoning Ordinance affecting the operation of Short-Term Rentals (STRs) and amending site development regulations in multiple zoning districts.

i. Receive a report by Jason Lutz, Development Services Director, on the Proposed Changes to the City Zoning Ordinance Regulating Short-Term Rentals (STRs).

Jason Lutz, Development Services Director, reviewed the Proposed Changes to the City Zoning Ordinance Regulating Short-Term Rentals (STRs) PowerPoint.

ii. Public Comments

Mike Starks, City resident, spoke regarding the proposed ordinance and property values. He stated the Hill Country Real Estate Association has opposed the proposed ordinance.

Mike de Lota, Austin resident, spoke regarding the proposed ordinance's negative effects on STR owners.

Troy Gassaway, City resident, spoke regarding the proposed ordinance's negative effects on STR owners. He also noted he has recently sold 3 of his STRs due to the proposed regulations.

Jessica Lines, City resident, spoke regarding the negative effects of the proposed ordinance on her construction company that focuses on STRs.

Judith Rost stated she attended 2 STR meetings, and most were against STR regulations. She stated her realtor has told her that since STRs surround her, her property is not valued less.

LeeAnn Bailey, City resident, inquired about the rule to permitting relating to structures and zoning.

Sonya Rivera, City resident, spoke regarding the change in neighborhoods due to STRs. She encouraged the City Council to address the issues that are occurring in neighborhoods.

Todd Plunk, City resident, spoke regarding the positive effects STRs have on the City and the economy. He encouraged the City Council to slow down the process.

David Turpin, City resident, spoke regarding STR's effects on the City and its residents. He noted the STRs are pricing out the people who want to buy a home and now it is difficult to house nurses, teachers, etc.

Russ York, City resident, stated he runs a local school in Fredericksburg and the effects he and his staff are facing with buying a home. He stated he feels R means residential and C means commercial and meant to be for profit.

Liza Smith spoke regarding how her family's business could stay open due to tourism and how they had to transform. She encouraged the City Council not to take away property rights.

Marissa Weinheimer, City resident, stated she lives next to a B & B and has not experienced any issues. She encouraged the City Council to slow the process down.

David Pedregon, City resident, reviewed the past STR issues and the philosophy when he was on P&Z. He stated he is not anti-business but feels we need to find a balance.

Eddie Kramer, City resident, encouraged the City Council to cap STRs in R-1 zoning. He stated he feels that STRs are a business and should be identified as C-Commercial zoning.

Tim Bowyer, Hill Country Memorial Hospital Chaplain, spoke about the difficulties bringing staff here due to housing. He stated a rich community is one where there are neighbors and friends and encouraged the City Council to protect residents and limit STRs in R-1 zoning.

Ken Carr, Realtor, City resident, suggested the City Council find other avenues to balance neighborhoods and STRs.

Tim Dooley, City resident, spoke regarding STRs being considered as a commercial business. He noted then the City Council could hold them to the same rules as they do other businesses.

Ben Edgertug, City resident, thanked the STR Alliance for their hard work. He spoke regarding the economic benefits of STR.

Eric Hammerson, City resident, spoke regarding the rights and responsibilities of property owners. He noted AirBnB shows that there are 1,630 listings for this area. He encouraged the City Council to find a balance between the STRs and neighborhoods.

Jeffery Morin, City resident, spoke regarding property line issues. He noted the issues he is having are addressed in the proposed ordinance for newly built STRs.

Belinda McDonald, City resident, stated AirBnB statistics are run off zip codes and include the county. She spoke about the proposed ordinance and the issues that could occur.

Randy Briley, City resident and member of STR Alliance, encouraged the City Council to slow down the process. He reviewed the timeline and the issues that could occur if passed now.

Milton Buckelew, STR Alliance, stated real estate prices increased everywhere, not just Fredericksburg. He noted that out of all the residential homes, only 6% are STRs.

Sharon Joseph, Historic District Board, spoke regarding the new Historic Review Guidelines. She also reviewed the STR issues the Board sees every meeting.

Claudia Washburn stated she owns a house in town and is currently building in the county. When they move to their new home, they wanted to turn their home in the City into a long-term rental. She noted with the taxes, they will have to turn it into an STR. She noted the problems the City is experiencing would not be solved by the proposed ordinance.

Max Durrett, STR owner, noted that the average STR renter is 41 years old with a family. He encouraged the City Council to enforce the fines and rules already on the books.

Jill Tabor, City resident, stated she is opposed to the timeliness of the CUP and feels people should not be allowed to change their property zoning.

Carol Hammerson, City resident, encouraged the City Council to find a balance between STRs and neighborhoods.

4. DISCUSSION

The following item will be considered, discussed, and take appropriate action.

A. Discussion by City Council on Proposed Changes to the City Zoning Ordinance Regulating Short-Term Rentals (STRs).

Jason Lutz, Development Services Director, reviewed the following:

- Difference between hotel and STR parking requirements.
- How the City will be collecting data in the future.
- Looking at STR pockets throughout the City.
- Timeline

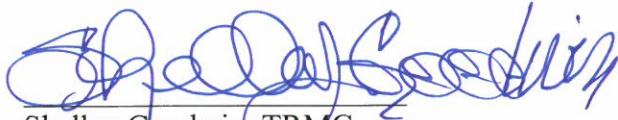
The City Council discussed the hot tubs, CUP process and allowing the two Code Enforcement Officers more time to address certain issues. They also discussed the need to find a balance between STRs, neighborhoods, and property rights.

The City Council discussed having Planning and Zoning Commission consider the proposed Ordinance in November, and the City Council consider it in December. They also discussed having another Workshop on October 11, 2021.

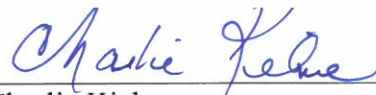
The City Council agreed by consensus to set a goal to complete the proposed ordinance by the end of February.

5. ADJOURN

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to adjourn the work session at 9:20 p.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.



Shelley Goodwin, TRMC
City Secretary



Charlie Kiehne
Mayor