



CITY OF DAHLONEGA WORK SESSION MINUTES
OCTOBER 18, 2018 4:00 P.M.

Mayor Norton called the Work Session to order at 4:00 p.m.

Members Present

Mayor Sam Norton and Councilmembers Bruce Hoffman, JoAnne Taylor, Ron Larson, Helen Hardman and Mitchell Ridley were present. Councilmember Roman Gaddis arrived at 4:05 pm.

Staff Present

City Manager Bill Schmid, Finance Director Melody Marlowe, Water Plant Supervisor John Jarrard, Capital Projects Manager Vince Hunsinger and City Clerk Mary Csukas were present. Downtown Development Director Jan Harris was present. City Attorney Doug Parks was present.

Department Reports:

a) Cemetery Committee

No report.

b) City Marshal's – No comments on the report.

Mayor Norton asked City Marshall Branyon to give Council an update on the new courtesy shuttle. City Marshall Branyon stated that public feedback was very positive, but we need to have designated stops. This past weekend during the trial run, the shuttle navigated the city streets looking for individuals in need of assistance.

Mayor Norton stated, with public feedback positive, it shows the strength in the use of the golf cart for the community. Councilmember Hoffman asked about the status of volunteers to assist with the driving the shuttle and the insurance needed to make this happen.

City Manager Schmid informed Council that due to insurance issues, volunteers are not able to drive the shuttle, but we are looking at alternate insurance companies that will allow this to be possible.

c) Community Development- No comments

Historic Preservation Commission

d) Dahlongega Downtown Development Authority

Downtown Director Harris informed Mayor and Council that the shuttle service was a good piece of hospitality during the recent Gold Rush event this weekend. DDA Director Harris stated that new Wayfinding Finding signs are on order and will be utilized near the South Chestatee Shop and Chestatee Village Shop. Council, Mayor and DDA Director Harris discussed the best method to update the Wayfinding Finding poles with new signs.

DDA Director Harris also informed the Mayor and Council that directional signs will be posted at festivals for parking.

Councilmember Gaddis asked if the DDA maintains a list of persons who inquire about initiating or relocating a new business to the City of Dahlonega, as the new report Council has access to shows potential sites open for these new business locations; Is this report used as a resource for these inquires? DDA Director Harris stated that potential new customers are given access to this report. Councilmember Hoffman and Taylor led a discussion on the need for Council to be given this report monthly that shows open business sites for potential new customers.

Councilmember Gaddis stated that the old Regions Bank location was a possible location for a brewery or restaurant. DDA Director Harris stated that she agrees with this assessment and is in discussion with a possible brewery customer and a possible restaurateur for this site.

e) Finance/Administration- No comments

f) Public Works

Capital Projects Manager Hunsinger informed Council of a few projects ongoing in this department:

- The Madeline Parks project has been postponed due to weather and paving will start this coming Monday.
- The Wimpy Mill Picnic Area will be open this weekend.
- Striping for the Madeline Park and Wimpy Mill Picnic Area will be done at the same time once paving is complete.
- Hawkins Street Spur will be paved on Monday too.
- Kindergarten overflow parking will be closed, and the Jaycees has been informed.
- The recycling vendor will need to be addressed due to numerous complaints.

The Mayor, Council and Staff discussed additional items pertaining to the Phase 1 of the Wimpy Mill Picnic Area project:

- Two non-handicap picnic tables
- Two trash cans
- Signage – possible river bank erosion may be addressed in the sign
- Trees

Marshall Branyon informed the Mayor and Council that three Georgia State Troopers will be stationed at the Madeline Anthony Park area during Gold Rush, to ensure their availability for possible accidents outside of the City limits.

g) Water and Waste Water Plants

Water Plant Supervisor Jarrard informed Mayor and Council that discussions are taking place with Highland Trace to test the new pump station for the next phase of the City taking control of this site. As a note, the City portion is ready but the Highland Trace side, while paid in full, was not ready for the transfer to the City of Dahlonega.

Short Term Rentals

City Manager Schmid informed Mayor and Council that he realized a variety of properties in town were not paying hotel/motel tax, and that with the current legislature addressing short term rentals, this was an ideal time to discuss a short-term rental ordinance that would pass the current legislation. City Manager Schmid had asked City Attorney Parks to develop a recommendation for short term rentals that would pass with the legislature in the next session.

City Attorney Parks stated that Savannah, GA, who has implemented short term rentals into their city ordinance, is the prominent lead in short term rentals at this time and will be a good test model that

would survive future legislative and judicial scrutiny. City Attorney Parks informed Council that last year a bill had been introduced to disallow local governments from taking issue with the short-term rentals, but the bill was dropped; while we do not expect a new bill to be introduced, it is best be prepared.

City Attorney Parks informed Council and Mayor that the zoning ordinance must be updated before we begin the short-term ordinance draft and the following issues must be addressed within the ordinance:

- The owner must make application to the city for conditional use of the property
- Parking issues must be addressed, and permits are needed to approve use of the home for rentals
- Length of stay needs to be agreed upon, as these are residential properties and this issue must be good for the areas in questions

Mayor Norton, Councilmembers Hardman, Taylor and Ridley respectively discussed the issue of hotel excise tax, absentee owners, maintenance of property, and how internet reviews may hold owners accountable. City Attorney Parks stated that conditional use of these properties, within the updated zoning ordinance, could assist with some of the issues.

City Manager Schmid stated that a common practice to address these issues would be through code violations and enforcement by the City Marshal.

Mayor Norton asked City Manager Schmid and City Attorney Parks if this current discussion and material presented were sufficient for Council recommendation to staff for mapping and zoning short-term rental areas as outlined by City Attorney Parks.

City Manager Schmid stated that Staff is making sure that Council is ready for the issue of short-term rentals because the whole process is cumbersome, and we will need time to map out the zoning areas.

The Mayor, Council and Staff discussed a variety of issues concerning the need to add short term rentals as a business in the City of Dahlonega:

- Councilmember Ridley discussed the 30-day policy for long term as opposed to short term rentals and the need to inspect these properties. City Attorney Parks stated that currently we do not have a legal vehicle in place to make these inspections.
- Councilmember Hoffman stated that we do not have routine inspection of hotels at this time and City Manager Schmid stated that we inspect hotels due to a complaint. Mayor Norton stated that an inspection of short-term rentals could also be complaint driven.
- Councilmember Gaddis stated that property owners pay taxes already; why add a new fee to the use of their property? If a homeowner wants to rent a room to someone, that is their business not the City's, and a short-term rental fee should not be imposed. City Manager Schmid stated that small hotel owners pay taxes for short term rentals, so the same should hold true for home owners. Mayor Norton asked if there should be a difference in short term rentals that rent only one room as opposed to multiple rooms?
- Councilmember Larson stated that the collection of hotel/motel tax will be defined by the 30-day limit.
- Councilmember Taylor stated that short term rentals in Savannah, GA are having a negative impact in Savannah, and this should be reviewed before we move forward with allowing this in the City of Dahlonega.

Mayor Norton asked Council if these are the issues that Council would like Staff to review for short-term rentals:

- ◆ Noise ordinance issues
- ◆ Proof of Ownership/ Insurance
- ◆ Occupational tax certificate
- ◆ Maximum occupancy per size of property and the process to monitor this issue
- ◆ Common ground on this issue
- ◆ Clearly responsible Manager of each property

The Mayor asked the Council to give their conditional vote on Staff moving forward with regulating short-term rentals and collect hotel/motel tax;

- ❖ Gaddis= No (but for a second home, yes)
- ❖ Hoffman= Yes (not a money issue, only a way to protect a neighborhood)
- ❖ Hardman=Yes (tourism industry feels slighted by these short-term rentals)
- ❖ Larson=Yes (we need to anticipate the need for this ordinance due to other districts historical problems with short-term rentals)
- ❖ Taylor=Yes (neighborhoods need protection and motel/hotel tax should be collected)
- ❖ Ridley=Yes (business license to regulate a business and collect hotel/motel tax)

The Mayor stated that this issue is not tax driven, but a directional move to ensure that hotels and property owners have a level playing field.

City Manager Schmid stated that homeowners are not paying hotel/motel tax off the revenue derived from these short-term stays and at this time other cities are dealing with this same issue.

Business Occupational Tax

The City of Dahlonega currently uses the number of employee and a regressive rate table for occupational tax computation, while many of our neighboring cities have a tier base in their calculations that allows for a simpler calculation. Their method would simplify and increase our taxes on the average. These tiers will still be regressive but simpler for the business owner to calculate.

Councilmember Hoffman asked if a business will need to have dual occupational tax certification if they operate a business in Lumpkin County and the City of Dahlonega. Finance Director Marlowe stated in the state of Georgia a business is only required to have one occupational tax certification and it would be at the location most of your work is conducted.

Councilmember Taylor asked why we would increase our taxes beyond Lumpkin County, since we are trying to attract new business and from an economic developmental stand point, is this the right approach at this time.

Councilmember Larson stated that based on the chart from Finance Director Marlowe, we see that the County at this time is significantly below neighboring jurisdictions.

City Manager Schmid discussed the issue of economic development and the impact of these increases being, on the average, less than one to three dollars per employee annually.

Finance Director Marlowe stated city taxes are generally higher than county taxes and the purpose of the occupational tax revenue is to support general fund activities. In general, urbanized areas have cost

that are higher due to these business activities and employees impact on the city infrastructure.

Councilmember Larson stated that analysis conducted by the staff was excellent, and the additional \$32,000 in revenue would be positive to the General fund.

Council and Mayor discussed how the City provides a multitude of services to the community, that increase is needed, but in stages. The next increase should be set at 50% of the proposed amounts outlined in the handout today, and the remainder in the coming years.

City Manager Schmid stated that Flea Markets and Antique Malls are based on sales tax and may be reviewed due to this businesses impact on the city's infrastructure.

Recycle

Mayor Norton stated that he added the issue of recycling to the agenda due to the impact that privatizing a service has had on the city. Currently, the private company that handles the city's recycle program have raised their prices despite numerous complaints.

City Manager Schmid stated that due to numerous daily complaints concerning service issues with this vendor, we did not renew our contract with this company, and are currently on a month to month basis. This vendor is the only company that is known to be available and willing to service recycling in the City of Dahlonega. The cost is \$50,000 a year.

Council and Mayor discussed the current residential recycle program which is mandatory for all residential customers, as the cost is imbedded in the residential monthly water and garbage bill. A big part of this discussion focused on the fact that only a third of the city residents use this service, but everyone pays.

City Manager Schmid stated that we are asking Council to review the current program, allow us to discontinue the current practice that was started to allow the City to be part of the Go Green program, and think of an alternate plan.

Councilmembers Larson and Hoffman respectively stated that the Go Green program will need to be discontinued because customers should not pay for an unwanted service.

Mayor Norton reiterated that with only a third of our citizens using this service we will need to discuss a new way to allow for recycling; possibly an option would be to work with the Lumpkin County so that we do not duplicate services.

Councilmember Taylor stated that she agrees that we should utilize Lumpkin County's litter and recycle program.

Adjournment

Work Session was adjourned at 5:40 p.m.