



ROCKWALL CITY COUNCIL REGULAR MEETING

Monday, March 18, 2024 - 6:00 PM

City Hall Council Chambers - 385 S. Goliad St., Rockwall, TX 75087

I. Call Public Meeting to Order

Mayor Johannesen called the meeting to order at 6:00 p.m. Present were Mayor Trace Johannesen, Mayor Pro Tem Anna Campbell, and Councilmembers Sedric Thomas, Mark Moeller, Clarence Jorif, Dennis Lewis and Tim McCallum. Also present were City Manager Mary Smith, Assistant City Manager Joey Boyd and City Attorney Frank Garza.

II. Invocation and Pledge of Allegiance - Mayor Pro Tem Campbell

Mayor Pro Tem Campbell delivered the invocation and led the Pledge of Allegiance.

III. Proclamations / Awards / Recognitions

1. Pastor Steve & Brenda Swofford Appreciation Day Proclamation
2. Severe Weather Awareness Week Proclamation
3. Red Cross Month Proclamation (March)

Mayor Johannesen called representatives up, one-by-one, regarding each of the above named proclamations. He then read and presented each one. Not listed above but also presented was one for "Surveyor's Week."

IV. Appointment Items

1. Appointment with Planning & Zoning Commission representative to discuss and answer any questions regarding planning-related cases on the agenda.

This item was not addressed, as the Chairman was not present.

V. Open Forum

Mayor Johannesen explained how Open Forum is conducted, asking if anyone would like to come forth and speak at this time.

Mike Rasmussen
507 Park Place Blvd.
Rockwall, TX

Mr. Rasmussen came forth and explained that he moved to Park Place (subdivision) in 2017. He showed

photographs to the Council as he explained concerns related to the company called "SPR," whose property and building are located behind his residential neighborhood. He explained that SPR recently constructed a large building just behind Park Place (right behind his home). Mr. Rasmussen thanked city staff, and in particular Parks Director Travis Sales, who he explained has been instrumental in trying to mitigate issues he's currently experiencing related to SPR. He shared that a representative from the SPR company did recently contact him and ask to meet with him. He explained that he knew SPR was going to purchase this property and something would be built; however, he believed that whatever building that got constructed would have reasonable height restrictions on it and it likely would not be visible, especially considering trees were going to be placed alongside it to provide screening. He shared that trees were in fact planted; however, they died during past freezes (temperature/weather-related). He explained that the photo he shared was taken from his residential backyard. He shared that he's been repeatedly told that what was built was "within (city)code." He understands this but is wondering if things can be done in order to mitigate his concerns (seemingly about the unsightliness of the building and its close proximity to his subdivision). He shared brief details about a recent meeting that was scheduled and held with him, city staff and SPR. He is hoping SPR will plant new trees – hopefully more than a minimum number required. He went on to make several suggestions regarding what he would like the city to do and not do in the future pertaining to these sorts of concerns. He urged that 'planting season is now,' so he's hoping these trees will be planted very soon, that they will be mature trees, and that they will be watered and cared for so that they do not die. He also urged for more trees in hopes they will mitigate lighting that will soon go up on the building and that he fears will be visible from his home.

Herb Podina
1014 Saint Charles Court
Rockwall, TX

Mr. Podina came forth and also expressed concerns about SPR and its tall, large structure that's been built behind his subdivision, Park Place. He relayed details regarding a recent meeting that was held with SPR representatives, and he believes they lied / were dishonest. He expressed strong dissatisfaction for the city having allowed this building to be built, explaining his belief that the city should have let residents know in advance. He seemed very upset about the city having allowed this structure to be built.

There being no one else wishing to come forth and speak at this time, the mayor closed Open Forum.

VI. Consent Agenda

1. Consider approval of the minutes from the March 4, 2024 city council meeting, and take any action necessary.
2. Consider authorizing the City Manager to execute a contract with SLM Landscaping for grounds maintenance in the amount of \$639,023 to be funded by the Parks Operations budget, and take any action necessary.
3. **P2024-006** - Consider a request by Brad Boswell and Asher Hamilton of RIV Properties for the approval of a Final Plat of Lots 1, 2 & 3, Block A, George Morton Estates Addition being a 3.59-acre tract of land identified as Lots 1 & 2, Block 1; Lots 1, 2, 3, & 4, Block 2; Lots 1, 2, 3, & 4, Block 3; Lots 1, 2, 3, & 4, Block 5; Lots 1 & 2 and a portion of Lots 3 & 4, Block 6; Lots 2, 3, & 4, Block 7; Lots 1 & 2, Block 8; and Lots 1, 2, 3, & 4, Block 9, Moton Addition, City of Rockwall, Rockwall County, Texas, situated within the Hillside Mixed Use Subdistrict and the Horizon/Summer Lee Subdistrict of Planned Development District 32 (PD-32), generally located at the southwest corner of the intersection of Horizon Road and Summer Lee Drive, and take any action necessary.

Councilmember McCallum pulled item #3 for discussion. Councilmember Lewis moved to approve items #1 and 2. Councilmember McCallum seconded the motion, which passed by a vote of 7 ayes to 0 nays.

Regarding Consent Agenda item #3, Councilmember McCallum shared that this item is related to a multifamily development. For that reason, he will not be voting in favor of it because he does not support 'multifamily' in the City. Mayor Johannesen pointed out that this item is related to the last of the entitlements at The Harbor. Mr. Miller, Planning Director, confirmed that the entitlements were granted back in the year 2010, and this the last of those units within that district. Councilmember Moeller went on to make a motion to approve Consent Agenda item #3 (P2024-006). Councilmember Thomas seconded the motion, which passed by a vote of 5 ayes with 2 nays (McCallum and Jorif).

VII. Public Hearing Items

1. **Z2024-003** - Hold a public hearing to discuss and consider a request by Michael Twichell of Michael F. Twichell, LP on behalf of Jim Duggan of NEC John King & 552, LP for the approval of an ordinance for a Zoning Change and PD Development Plan amending Planned Development District 74 (PD-74) [*Ordinance No. 17-60*] being a 17.3750-acre portion of a larger 405.184-acre Planned Development District situated within the J. Strickland Survey, Abstract No. 187; T. R. Bailey Survey, Abstract No. 30; and, J. Simmons Survey, Abstract No. 190, City of Rockwall, Rockwall County, Texas, zoned Planned Development District 74 (PD-74) for limited General Retail (GR) District land uses, situated within the SH-205 By-Pass Overlay (BY-OV) District, generally located at the northeast corner of the intersection of John King Boulevard and FM-552, and take any action necessary (**1st Reading**).

Mayor Johannesen announced that this item has been continued to the Monday, April 1 regular city council meeting.

2. **Z2024-008** - Hold a public hearing to discuss and consider a request by Marisol Ortiz on behalf of Ricardo Alonso for the approval of an ordinance for a Specific Use Permit (SUP) for *Residential Infill in an Established Subdivision* on a 0.121-acre parcel of land identified as Lot 49 of the Canup's Addition, City of Rockwall, Rockwall County, Texas, zoned Single-Family 7 (SF-7) District, situated within the Southside Residential Neighborhood Overlay (SRO) District, addressed as 302 E. Bourn Street, and take any action necessary (**1st Reading**).

Mayor Johannesen announced that this item has been continued to the Monday, April 15 regular city council meeting.

3. **Z2024-009** - Hold a public hearing to discuss and consider a request by Harold Fetty of H. D. Fetty Land Surveyor, LLC on behalf of Antonio Borjas for the approval of an ordinance for a Zoning Change from an Agricultural (AG) District to a Single-Family Estate 1.5 (SFE-1.5) District and a Light Industrial (LI) District for a 9.4411-acre tract of land identified as Tract 3-4 of the J. H. Bailey Survey, Abstract No. 45, City of Rockwall, Rockwall, Texas, zoned Agricultural (AG) District, situated in the SH-276 Overlay (SH-276 OV) District, addressed 172 Zollner Road, and take any action necessary (**1st Reading**).

Planning Director, Ryan Miller provided background information related to this agenda item. He explained the applicant is asking to change the zoning of the property from an Agricultural (AG) District to a Single-Family Estate 1.5 (SFE-1.5) and Light Industrial (LI) District. The purpose of this request is to facilitate the future conveyance of a portion of the subject property. According to the Land Use Plan contained in the

city's OURHometown Vision 2040 Comprehensive Plan, the subject property is located within the South Central Estates District, which -- based on the District Description for the South Central Estates District -- "...has the potential to have a mixture of land uses, but is currently relatively undeveloped." The Land Use Plan for this district designates the portion of the subject property that fronts SH-276 for Technology/Employment land uses, which is "...characterized by employment-oriented businesses, which are generally situated in larger centers (i.e. Rockwall Technology Park) with access to key transportation networks." In addition, the Light Industrial (LI) District is one of the two zoning districts permitted under this Land Use Plan Designation. The remaining portion of the property where the single-family home is situated, is designated as Commercial/Retail based on the Land Use Plan. In this case, the applicant is requesting this portion of the subject property to be zoned Single-Family Estate 1.5 (SFE-1.5) District, which is not consistent with the Land Use Plan; however, it is consistent with the current land use on the subject property. Furthermore, the area has not started to transition as expected, and the proposed zoning does appear to be appropriate with the current use of the subject property and adjacent land. It is staff's opinion that the Land Use Plan does not need to be changed if the proposed zoning is approved, and the Commercial/Retail land use designation is still an appropriate designation for the future development of the area. Based on this, the applicant's request to change the zoning of the subject property from Agricultural (AG) District to a Single-Family Estate 1.5 (SFE-1.5) District and Light Industrial (LI) District appears to conform to the Comprehensive Plan. On March 12, 2024 the Planning and Zoning Commission approved a motion to recommend approval of the zoning change by a vote of 4-0, with Commissioners Deckard, Womble, and Hustings being absent.

On February 22, 2024, staff mailed 24 notices to property owners and occupants within 500-feet of the subject property. There are no Homeowner's Associations (HOAs) or Neighborhood Organizations within 1,500-feet of the subject property participating in the Neighborhood Notification Program. Additionally, staff posted a sign on the subject property and advertised the public hearings in the Rockwall Herald Banner, as required by the Unified Development Code (UDC). At the time this report was drafted, staff had received one notice in opposition of the applicant's request.

The Mayor opened the public hearing, asking if anyone would like to come forth and speak at this time. There being no one indicating such, he then closed the public hearing.

Councilmember McCallum spoke, generally expressing he believes the zoning should not be changed at this time. He generally expressed a strong belief that it should be left as an "AG" zoned property until which time as it is actually ready to be developed.

Mr. Miller shared that the applicant is wanting to change the zoning now because he would like to sell the property, and he cannot do so easily with a residential property located on it currently. He explained that if the zoning change were to be approved now, it will allow for the property owner to market it differently.

Councilmember McCallum went on to make a motion to deny Z2024-009, again explaining the various reasons why he's wanting to deny this rezoning request at this time. Councilmember Jorif seconded the motion.

Discussion ensued, with City Attorney Frank Garza sharing that the city is not allowed to consider the "future land use" of this parcel at this time. Council is only allowed, at this point, to consider its (re)zoning. Mr. Miller, Planning Director, provided further explanations regarding how zoning and rezoning works, including how the city has a Comprehensive Plan in place to help guide planning and zoning-related decisions throughout the city. Lengthy discussion ensued among various councilmembers, with the city

attorney also weighing in regarding how this rezoning request is in alignment with the city's Comprehensive (Master) Plan. Mr. Garza shared that it sounds like some council members want to know the future "use" of the property right now, prior to granting a (re)zoning request, and – he conveyed - that is not how the zoning process works.

Mayor Pro Tem Campbell generally expressed that she is not in favor of 'big government' and/or of telling a private land owner what he can or cannot do with his property. Councilmember Moeller pointed out that this request is in alignment with the city's Comp Plan, and he wishes the applicant were here to speak for himself. However, since he is not here, Council does have to make a discretionary decision. He supports property owner rights.

Councilmember McCallum again expressed various concerns about this request, encouraging the Council to vote in favor of denying rezoning of the property. Brief clarification was discussed regarding potential 'denial' of the rezoning request, or 'denial with (or without) prejudice.'

Councilmember McCallum went on to amend his original motion, moving at this point to deny this case without prejudice. Councilmember Jorif seconded the motion, which – after brief discussion – passed by a vote of four in favor with three against (Moeller, Johannesen, and Lewis).

4. **Z2024-006** - Hold a public hearing to discuss and consider approval of an ordinance for a Text Amendment to Article 04, *Permissible Uses*, and Article 13, *Definitions*, of the Unified Development Code (UDC) and to establish Chapter 13, *Rental Housing*, of the Municipal Code of Ordinances for the purpose of creating requirements for *Short-Term Rentals*, and take any action necessary.

Planning Director, Ryan Miller provided background information concerning this agenda item. Specifically, the proposed amendment makes the following changes to the Unified Development Code (UDC) and Municipal Code of Ordinances:

- Defines Short-Term Rental as "...a residential dwelling unit, apartment, condominium, or Guest Quarters/Secondary Living Unit/Accessory Dwelling Unit in which the entire structure or a portion thereof is offered for rent for a period exceeding 12-hours, but less than 30 consecutive days, to a particular occupant." This definition goes on to define a Short-Term Rental as a residential land use in accordance with the definition contained in the Tax Code and in conformance with previous Texas court decisions.
- Creates three (3) distinct categories of Short-Term Rentals, which are as follows:
 - (1) Short-Term Rental (Owner-Occupied Single-Family Home, Townhome, or Duplex). A single-family home, townhome, or duplex -- or portion thereof -- in which the property owner or operator, as reflected in a valid lease agreement, is a resident (i.e. occupies the primary structure) and is present during the rental. This includes when a Guest Quarters/Secondary Living Unit/Accessory Dwelling Unit is detached from the primary structure and either the primary or secondary structure is rented, but the owner or operator resides on the property.
 - (2) Short-Term Rental (Non-Owner-Occupied Single-Family Home, Townhome, or Duplex). A single-family home, townhome, or duplex -- or a portion thereof -- in which the property owner or operator does not occupy the dwelling unit during the rental, or that the owner or property owner does not occupy another dwelling unit -- or portion thereof -- on the same property (i.e. the

property owner or operator is not on-site as an occupant during the rental of the property).

- (3) Short-Term Rental (Apartment or Condominium).** An apartment or condominium (or similar multi-family structure, excluding duplexes, but including triplexes or quadplexes, as defined in this Unified Development Code [UDC]) -- or a portion thereof -- in which the property owner or operator may or may not be an occupant of the dwelling unit during the rental.
- Amends the Permissible Land Use Charts contained in Article 04, Permissible Uses, of the Unified Development Code (UDC) to allow Short-Term Rentals in all of the City's Single-Family zoning districts and in the Two-Family (2F) District and Multi-Family 14 (MF-14) District. Specific Use Permits (SUPs) are required for the Downtown (DT) District and Residential-Office (RO) District. The purpose of requiring a Specific Use Permit (SUP) in these districts is to acknowledge that since these districts are transitional or mixed-use districts that a Short-Term Rental may or may not be appropriate depending on the specific location of the proposed use. The amendment also specifically prohibits the Short-Term Rental land use within all of the City's non-residential zoning district, which is consistent with the definitions established above.
 - Establishes enforcement and penalty procedures for Short-Term Rentals. Specifically, the ordinance establishes specific violations and a penalty that can range from \$500.00 to \$2,000.00 per violation. In addition, if a STR accrues three (3) violations in any consecutive 12-month period, the Short-Term Rental Permit and Registration for the STR is revoked and the property owner would be prohibited from reapplying for a new Short-Term Rental Permit and Registration for a period of 12 months.
 - Requires a Responsible Party as part of the Short-Term Rental Permit and Registration. A Responsible Party is a "...local representative that resides in Rockwall County and who is available at all time the rental is in use." The purpose of this requirement is to discourage absentee ownership, and ensure there is a point of contact that is local and can remedy any issues or violations for the City or the occupants of the STR during a rental.
 - Creates Conditional Land Use Standards for each type of Short-Term Rental that regulates the location and types of land uses that can be established with the STR. With regard to Non-Owner Occupied STR's, a proximity requirement of 500- feet was chosen by the City Council to prevent the proliferation of Non-Owner Occupied STR's in residential subdivisions; however, the Planning and Zoning Commission approved a motion to recommend a 1,000-foot proximity requirement, and staff has made the appropriate changes to the draft ordinance. In addition, the ordinance does allow the Planning and Zoning Commission and City Council to consider a Specific Use Permit (SUP) to allow closer proximity on a case-by-case basis. In addition, a percentage of units was established to regulate the number of STR's (i.e. both owner occupied and non-owner occupied) permitted in an apartment or condominium building. Staff should note that there is precedence for the use of both of these methods to restricting STR's in other City's STR ordinances (i.e. the City of Waco uses a 500-foot proximity requirement and the City of San Antonio uses a percentage of units requirement). In addition, staff should note that proximity requirements are already used for several land uses within the City's Unified Development Code (UDC).
 - Creates a Short-Term Rental Permit and Registration Program. In conjunction with the proposed ordinance, staff has also created a permit application and registration form that shows the information that would be collected as part of the proposed program. Based on the proposed ordinance, a \$500.00 application fee would be required to register a STR and the registration and permit would be valid for a period of three (3) years once issued.

- **Creates General Standards for Short-Term Rentals that include requirements associated with advertising, parking, temporary structures, trash, signage, life safety requirements, conduct on premises, tenant notification requirements, and payment of hotel occupancy taxes. The applicant of a Short-Term Rental Permit would be required to certify current and continued compliance with these requirements. In addition, an initial inspection would be required to ensure compliance with all of the General Standards prior to the issuance of a Short-Term Rental Permit.**
- **Requires that each Short-Term Rental property shall be required to have general commercial insurance (or an equivalent) coverage of a minimum of \$500,000.00 per occurrence coverage and an aggregate of \$1,000,000.00.**
- **Creates an appeal process for any administrative decisions made by staff as required by the ordinance. Since this would be an appeal to an administrative decision, the ordinance requires all appeals to be heard by the city's Board of Adjustments (BOA) in accordance with existing procedures.**
- **Establishes Non-Conforming Rights for properties that are able to prove they have been operating as a Short-Term Rental prior to the adoption of the proposed ordinance. This includes exemptions to certain zoning requirements (i.e. the proximity requirements and the permissible use zoning districts). With this being said, under the proposed program these existing STR's would still be required to register and apply for a permit through the proposed program by a specified date (i.e. the Grace Period which is June 30, 2024 or 90-days after the anticipated approval date of this ordinance of April 1, 2024).**

In establishing these requirements, staff researched other cities' ordinances to ensure that what was being proposed was not atypical in regulating Short-Term Rentals. Staff should note that the majority of the cities that were surveyed had more restrictive ordinances than what is currently being proposed. With this being said, the proposed ordinance is an example of a program that can be adopted to regulate Short-Term Rentals, and staff can make any adjustments, additions, or omissions desired by the City Council. In addition, if approved, the proposed ordinance would be implemented in accordance with the following process:

- (1) **Property Owner Notifications.** After the first reading of the ordinance, staff will prepare a property owner notification list of all Short-Term Rental properties that are able to be identified within the community. Once this list is complete, and the ordinance is adopted staff will mail out a letter outlining the program, a copy of the proposed/approved ordinance, and the Short-Term Rental Permit Application and Registration form to all the Short-Term Rental addresses in the City and their corresponding property owner's addresses. In addition, staff will include information notifying property owners of the Short-Term Rental Registration Program in the water bill that will go out the week of ordinance adoption. This should be sent out to all property owners in the City. Finally, staff will prepare a summary of the Short-Term Rental Program and links to the Short-Term Rental Permit Application and Registration form, and post this information on social media sites.
- (2) **Applications for Existing Short-Term Rentals.** From April 1, 2024 to June 30, 2024, staff will accept Short-Term Rental Permit Application and Registration forms for existing Short-Term Rentals only. These would be defined by the program as Short-Term Rentals that were in operation prior to the adoption of the program. To be eligible to register as an existing Short-Term Rental the applicant will need to be able to demonstrate the following: [1] that the property was purchased prior to April

1, 2024, AND [2] proof that the property was used as a Short-Term Rental (i.e. a listing, proof of rental, etc.) OR proof of payment of hotel occupancy tax to the City of Rockwall. During this time period the proximity requirements will not apply to applicants of existing Short-Term Rentals. No new permits for Short-Term Rentals will be accepted during the grace period.

(3) Applications for New Short-Term Rentals. After June 30, 2024, applications for new Short-Term Rentals may be submitted to the City of Rockwall. These applications will be subject to the proximity requirements stipulated in the text amendment. No applications for existing Short-Term Rentals will be accepted after the grace period and all applications will be deemed to be for new Short-Term Rentals.

(4) Other Procedural Items. In addition to the procedures list above, staff will also be: [1] creating a separate permitting classification for Short-Term Rentals (i.e. STR2024-XXX) that will help track the Short-Term Rental Registrations and Permits, [2] creating an online map service that will show all Short-Term Rentals that register with the City and the 1,000-foot proximity requirement for non-owner occupied Short-Term Rentals, and [3] creating an FAQ website on the City's website that can provide general information concerning the program.

To assist the City Council in making a decision regarding the text amendment, staff provided a map showing the proximity requirements at 500-feet and 1,000-feet. In addition, staff provided a copy of the proposed draft ordinance and a copy of the Short-Term Rental Permit and Registration application form.

In accordance with Subsection 02.01(C) of Article 11, Development Applications and Review Procedures, of the Unified Development Code (UDC), staff brought the proposed changes to the Planning and Zoning Commission for a recommendation to the City Council, and -- on March 12, 2024 -- the Planning and Zoning Commission approved a motion to recommend approval of the text amendment (with the change of the proximity requirements from 500-feet to 1,000-feet) by a vote of 4-0 (with Commissioners Deckard, Womble, and Hustings being absent). In addition, staff has sent out a 15-day notice to the Rockwall Herald Banner in accordance with all applicable state laws and Section 02.03(A)(3) of Article 11, Development Applications and Review Procedures, of the Unified Development Code (UDC).

Mayor Johannesen opened the public hearing, asking if anyone would like to come forth and speak at this time.

Stan Jeffus
2606 Cypress Drive
Rockwall, TX

Mr. Jeffus thanked the Council and staff for all of its work on this topic. He pointed out the "5 percent rule" pertaining to apartments. He suggested that Council consider having a limitation of "5 percent of the housing area" as pertaining to allowance of STRs within the city.

Wilson Murphy
209 Tanya Drive
Rockwall, TX

Mr. Murphy pointed out that the draft information refers to "owner occupied" properties, and he does not believe this is a proper characterization since a lot of times they are vacant properties, and there is no one there at the premises. He has concerns about a 'responsible party' associated with a property potentially not responding until 10:00 in the morning regarding an issue that happens at 3:00 AM. He went on to mention a website that estimates there are over 270 "Air B&Bs" in existence in Rockwall today; however,

that number may be greater. He pointed out that the city is likely already over populated for these types of properties. He thanked Council for listening to his concerns and respecting existing property owners. He also encouraged Council to adopt the 1,000 foot proximity rule (rather than 500 feet).

Brian Busch
2218 Randas Way
Rockwall, TX

Mr. Busch shared his belief that the influx of illegal immigrants into our nation and state will begin to impact short-term rentals in our city. Corporations will begin funding the housing of immigrants within these sorts of properties soon, as it's already happening on the west coast in states such as California.

Joy Bounds Murphy
209 Tanya Drive
Rockwall, TX

Mrs. Murphy strongly encouraged Council to consider the sanctity of our residential neighborhoods and consider these sorts of properties on an individual, case-by-case basis. She urged Council to be cognizant of what Mr. Busch shared and the 'storm' that is soon coming pertaining to these types of properties. She shared that currently, in her neighborhood, there are already short-term rentals side-by-side with three or four of them operating in close proximity to her own home. She urged Council to vote "for" a 1,000 proximity buffer, sharing that it will not solve the problem, but it will help.

Ronnie Howell
434 Jordan Farms Circle (in Park Place)
Rockwall, TX

Mr. Howell came forth and shared that he personally owns a short-term rental within the city (in addition to his permanent residential home in the Park Place subdivision). He generally explained that he has had this rental property for several years now, and he closely monitors it and manages it. He is not against what is being brought forth this evening regarding regulation of these properties; however, he does believe that someone needs to come forth and be a voice for business owners in the community who do own these sorts of properties and who do closely and responsibly monitor these sorts of properties. He is not against Council adopting these regulations, and it will cost him \$500 once every three years.

Melba Jeffus
2606 Cypress Drive
Rockwall, TX

Mrs. Jeffus shared that at the recent Planning & Zoning Commission meeting, a man who spoke pointed out that the World Cup is coming to this area soon. As a result, people from all over the world will be coming from everywhere and will be staying in these sorts of rentals, and this greatly scares her. It in fact has awakened her with nightmares at night when she's been sleeping.

Bob Wacker
309 Featherstone
Rockwall, TX

Mr. Wacker came forth and provided various comments, encouraging Council to place these regulations

along with regulations that govern 'Bed and Breakfasts' within the city. He went on to encourage the Council to require approval of a Specific Use Permit (SUP) for each and every one of these properties. He has concerns about the definition of 'responsible party' and its placement within the draft language. He has concerns about what the city will do if it cannot reach / get in contact with the property owner and/or the 'responsible party' that's designated. He wonders what penalties would be invoked if the owner or responsible cannot be found.

Mr. Miller, Planning Director went on to provide various clarifications to Mr. Wacker in an effort to help him better understand what the draft ordinance language is proposing and what the associated fines will be if regulations are violated.

Terri Nevitt
201 Becky Lane
Rockwall, TX

Mrs. Nevitt came forth and expressed various concerns about STRs, including noise and possible fireworks being set off. She sought and received clarification on the fee of \$500 every three years. She thanked Council and staff for all the work that's been put into this topic, as she views that great progress has been made, as is evident and reflected in what's now being proposed.

Frank Tyminski
643 Windy Ridge Lane
Rockwall, TX

Mr. Tyminski thanked staff for being helpful and responsive to him in previously answering some of his questions. He wonders if Homeowners Associations (HOAs) can help regulate STRs in cooperation with the City. Mr. Miller shared that the city cannot enforce deed restrictions in place on residential properties. Indication was given that an HOA can pursue enforcement.

There being no one else wishing to come forth and speak, Mayor Johannesen closed the Public Hearing.

Councilmember Jorif shared that a lot of STR owners are doing 'the right thing' and are essentially not causing problems; however, unfortunately, there are some STRs and associated owners who are causing concerns. Jorif then asked for and received various clarification from Mr. Miller regarding enforcement and other aspects of the draft ordinance language.

Councilmember Jorif moved to approve Z2024-006. Mayor Pro Tem Campbell seconded the motion.

She thanked the staff and city attorney for all of their extensive research and hard work on this topic of STRs. She went on to ask and receive clarification on several points about the proposed ordinance and associated program. She did point out that she likes and is in favor of what is essentially the 'three strikes and you're out' provision included in the draft regulations being proposed for consideration this evening. Councilmember Lewis shared that he also is thankful to staff and the city attorney for all their hard work. He clarified that the 1,000 distance is property line to property line, and enforcement of violations of the provisions will be handled by the city's Municipal Court Judge.

Councilmember Moeller provided comments about the World Cup having come to the area back in the mid-1980s when he worked for Dallas Police Department. He and his staff had concerns at the time that there could be riots and whatnot; however, that did not occur because questionable people who were prone to

riot were not in a position to financially afford to travel around the world to Dallas to attend the World Cup. So, the travelers who did end up coming to Dallas at the time were actually pretty good, decent folks. He went on to express concerns regarding 'grandfathering' of some STRs that are already in existence, specifically related to STRs that are currently operating and have not been paying state law-required hotel/motel taxes. He wonders if the city could recognize them as 'non-conforming' (already) since they've been failing to abide by state law and haven't been paying their taxes. Mr. Garza shared that staff researched this but was unable to locate any case law on this matter. He shared that a city can 'go after' one of these properties "civilly" for not paying taxes in the past; however, a city will likely make attempts to retroactively collect on taxes the property owed for past years if/when they do come to register and apply. If they do not come forth and apply / register, the city can use these new ordinance provisions to 'go after them' and disallow them from continuing to utilize the property as a STR.

Councilmember McCallum thanked staff for all of the work and time invested in this topic. He went on to thank the citizens who have taken time to bring forth these concerns and push for these concerns to be addressed. He applauded citizens who've come forth and spoken for all of their hard work and for time invested in pushing for regulations to be developed and put into place. He thanked them for their work, pointing out that they've really made a difference.

Councilmember Thomas shared that the efforts have been commendable on the part of staff and the citizens. He believes there has been a good balance between trying to have 'limited government' while also trying to be a good neighbor. He thanked the citizens who have come forth to try and get some things put into place, and he also thanked the one STR owner who came forth and spoke this evening. He respectfully encouraged residents to not lose faith in people (humanity, essentially), asking them to consider scaling back their fears and having some faith instead, pointing out that some people who do own these sorts of properties do actually do the right thing. He went on to express that he does support these proposed regulations, including the 1,000 foot rule. He also encouraged residents to have faith in the Council, believing that they will do their very best to 'do right' by the citizens they serve.

Mayor Johannesen shared that he is normally not in favor of 'big government,' and he recognizes that it does sometimes take a long time to get regulations put into place. It taking a long time is probably a good thing, as once they are in place, you probably have to live with those things and be okay with them for a long time. Again, he believes the Council / city should be taking their time and doing things right because everyone will have to live with the choices that are made. Regarding Councilmember McCallum having said that prior Councils had 'kicked these issues down the road' – he disagrees, sharing that a hotel owner had previously come forth to express concerns about STRs, and the city was also waiting in anticipation of the State legislature perhaps addressing some of the STR-related concerns. So, at that time, there were other more pressing matters, and it was likely not a good use of staff time at that time. Furthermore, in general, he is also not in favor of 'big government, and he believes that, in some ways, these regulations are representative of a 'punishment of the masses' due to the (unfavorable) actions of a few. He believes most STR owners do the right thing. Although this was a long process, it did involve a lot of citizen input, legal research, and is representative of doing things the right way.

The ordinance caption was read as follows:

**CITY OF ROCKWALL
ORDINANCE NO. 24-_____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS,
AMENDING THE MUNICIPAL CODE OF ORDINANCES AND THE UNIFIED
DEVELOPMENT CODE (UDC) [ORDINANCE NO. 20-02] OF THE CITY OF ROCKWALL,**

AS HERETOFORE AMENDED, BY CREATING CHAPTER 13, RENTAL HOUSING, OF THE MUNICIPAL CODE OF ORDINANCES AND AMENDING ARTICLE 04, PERMISSIBLE USES, AND ARTICLE 13, DEFINITIONS, OF THE UNIFIED DEVELOPMENT CODE (UDC) AS DEPCITED IN EXHIBITS 'A', 'B', & 'C' OF THIS ORDINANCE; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

The motion to approve the ordinance passed unanimously (7 ayes to 0 nays).

VIII. Action Items

1. Discuss and consider presentation by Pattillo, Brown & Hill LLP, of the Annual Comprehensive Financial Report, FY2023, and take any action necessary

City Manager Mary Smith provided brief comments, introducing Paula Lowell with Pattillo, Brown & Hill, who recently conducted the city's annual audit. She explained this is the first opportunity her company has had to conduct the city's audit. She shared that the city manager and her staff are all doing a very good job managing the city's finances and ensuring that monies are being spent in accordance with the city's approved budget(s). She went on to provide additional details related to the findings associated with the audit and the Annual Financial Report. She shared that they are issuing an 'unmodified opinion' as a result of the audit, which – she explained – is the highest ranking that can possibly be issued associated with an audit.

Indication was given that Council did not need to take any action concerning this matter. So, no action was taken.

IX. Adjournment

Mayor Johannesen adjourned the meeting at 7:57 p.m.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS ON THIS 1st DAY OF APRIL, 2024.


TRACE JOHANNESEN, MAYOR

ATTEST:


KRISTY TEAGUE, CITY SECRETARY

