



DEPARTMENT OF
**PUBLIC
HEALTH**

MEMORANDUM

Date: 1/7/2026

To: Board of Health and Common Council
From: Charles E Sepers, Jr, PhD, Health Officer/Director; Darrin Glad, Assistant City Attorney
Subject: Stateview Commons Appeal of Order to Cease and Desist Operations

Summary

This memo is in response to an appeal filed on behalf of 532 W. College Avenue, also known as Stateview Commons. This appeal contains two elements:

1. The City of Appleton's decision to not renew the 2024-2025 Tourist Rooming House License into the 2025-2026 licensing year.
2. The City of Appleton's issuance of a cease-and-desist order which prohibited Stateview Commons from operating as a Tourist Rooming House lodging facility.

Stateview Commons operated as a licensed Tourist Rooming House (TRH) beginning December 10, 2021. In January 2025, the Appleton Department of Health (AHD) created an Environmental Health Technician position focused on identifying non-compliant and unlicensed short-term rental properties and bringing them into compliance.

In March 2025, through coordination with other City departments, the property was determined not to meet applicable building and fire code requirements for use as a transient lodging facility under Wisconsin Administrative Code ATCP 72 and SPS Chapters 361–365. AHD discussed with the property manager and owner the significant building modifications required to achieve compliance. The TRH license expired on June 30, 2025, and the owner elected not to renew the license based on those discussions. Despite the expiration, the property continued operating as a TRH without a valid health license.

On July 29, 2025, AHD issued an Order to Cease and Desist Operation of a Transient Lodging Facility. By letter dated August 28, 2025, the owner, through legal counsel, appealed both the Health Department's decision not to renew the TRH license and the

Cease-and-Desist Order. The appeal included a proposed “Interim Safety Plan.” Following the appeal, the parties agreed to multiple postponements of the appeal hearing to allow time to explore a mutually acceptable path toward compliance and licensing.

On September 18, 2025, the City provided the owner’s attorney with a proposed Conditional License Agreement. If executed, the agreement would have allowed continued operation as a TRH while progress toward full compliance was demonstrated. The proposed agreement was similar to the owner’s Interim Safety Plan but included a requirement for third-party monitoring of the building’s fire alarm system. The City did not receive further communication from representatives of the Stateview Commons property regarding the proposed agreement, and the agreement was not executed. Accordingly, no Conditional License Agreement was issued.

Additional information for the Board’s consideration has been attached to the agenda, including copies of: the Order to Cease and Desist; property owner’s appeal letter and interim safety plan; proposed Conditional License Agreement; notice of non-compliance from Inspections Division; AFD memo to Health Department; fire alarm inspection reports (3); selected excerpts from Appleton Municipal Code.

Background

On July 29, 2025, the Appleton Department of Public Health issued an Order to Cease and Desist Operation of a Transient Lodging Facility to the property owner of Stateview Commons, Keystone Futures, LLC (Keystone). The Department determined that the property was operating as a Tourist Rooming House without a valid health license. The previous license expired on June 30, 2025, and was not renewed. Continued operation without licensure is illegal under Appleton Municipal Code Section 9-342 and Wisconsin Administrative Code ATCP Chapter 72. Additionally, a building occupancy permit authorizing transient lodging was never issued, and the property’s current use classification does not meet requirements under Wisconsin Administrative Code SPS Chapters 361–365. Significant upgrades would be required before licensure could be considered, and future licensure would require individual licensing for each keyed unit pursuant to ATCP 72.04(a).

The statutory and ordinance authority for this action includes Appleton Municipal Code (“AMC”) Sections 9-301, 9-303, 9-304, 9-305, and 9-341 through 9-343, as well as Wisconsin Administrative Code ATCP (“ATCP”) Sections 72.01–72.16 and SPS Chapters 361–365. The definition of transient occupancy under ATCP Section 134.02(14) also applies. The basis for the Health Department’s action included reviews by the City of Appleton Inspections Division (Commercial), findings from the Appleton Fire Department, confirmation that no occupancy approval for transient lodging exists, and the regulatory obligation to protect public health, safety, and welfare. The Cease and Desist Order remains in effect even if appealed until modified or withdrawn. No

modification or withdrawal has occurred. Operation without licensure is subject to further enforcement, including citations, and appeal rights exist under AMC Section 9-305.

Both the Appleton Fire Department (“AFD”) and the Department of Community Development/Inspections Division (“Inspections”) have indicated that a complete change of occupancy to R-1 classification, including necessary building modifications, is required pursuant to AMC Section 4-136. Once a Certificate of Occupancy is issued for the property as R-1, these departments would support the Health Department’s licensing of the property.

Appeal

In a letter dated August 28, 2025, the owner, through its attorney, appealed the Health Department’s decision not to renew the TRH license and the Order to Cease and Desist operation of the transient lodging facility at 532 W. College Avenue. Note that the letter did not develop any further argument regarding the nonrenewal and was beyond the 30-day appeal period for nonrenewals (licensing renewal period ends on July 15). The appeal included a proposed “Interim Safety Plan.” Both parties agreed to multiple postponements of the hearing on the appeal in an effort to reach an agreement on a mutually satisfactory path toward compliance and licensing. On September 18, 2025, a proposed Conditional License Agreement was shared with the owner’s attorney. If accepted, the agreement would have allowed the owner to continue operating as a TRH while making progress toward full compliance. The agreement was similar in nature to the owner’s proposed Interim Safety Plan. However, no Conditional License Agreement was ever executed. The owner did not sign the agreement or propose changes, and the measurable deadlines in the proposed agreement have all passed, specifically:

- Building must meet applicable commercial building and fire code regulations to be used for short term rentals (R1 building classification). If this condition is not met, **this conditional license will become void on 12/31/2025** unless an extension is granted by the City of Appleton Health Department. As mutually agreed, the licensee must immediately begin working with a commercial building design professional to determine a compliance path forward. The compliance path forward contemplates an extension and additional conditions based on the commercial building design professional’s findings.
- The Licensee may honor existing reservations until 10/31/2025 provided smoke and carbon monoxide alarms are checked for proper function prior to every stay. These checks shall be documented on an appropriate log in real time and made available to City of Appleton staff upon request. If this condition is not met, **this conditional license will become void on 12/31/2025** unless an extension is granted by the City of Appleton Health Department.
- For any short-term rental reservations for stays after 10/31/2025, the fire alarm system shall have third-party monitoring in place. Proof of this system shall be

provided to the Appleton Fire Department. Upon Fire Department approval of this third-party monitoring system, short-term rental reservations may be honored until 12/31/2025. If this condition is not met, **this conditional license will become void on 10/31/2025** unless an extension is granted by the City of Appleton Health Department.

The "Requested Relief" identified in the August 28, 2025, appeal letter is as follows:

- Stay/Suspend Order Pending Hearing: Under § 9-305, the Department may suspend, continue, or modify the Order pending appeal. Keystone requests a stay that allows limited short term rental operations as described in the attached Interim Safety Plan.
- Clarification of Grace Period Scope: Keystone requests confirmation in writing that "reservations held on or before October 31, 2025" means reservations with check-out dates on or before October 31, 2025, with no new bookings accepted.
- Extension of Grace Period: Keystone requests an extension of the City's grace period through December 31, 2025, limited to reservations confirmed as of October 31, 2025, to permit an orderly wind-down while design professionals are engaged.
- Modification of Order: Keystone requests modification of the Order to require compliance with the attached Interim Safety Plan during the extended grace period and to permit biweekly status reports to the Health Officer and Fire Department.

Because no Conditional License Agreement was entered into (and no license issued), further postponement of the hearing on the appeal was not agreed to by the parties and the hearing was scheduled for the January 14, 2026, Board of Health meeting.

Staff Recommendation

Because noncompliance with the regulatory requirements essential for ensuring the safety of the public, AFD, Inspections, and Health Department recommend that the Board of Health continue the Cease-and-Desist Order issued by the Health Department without modification.

Previously, there was time within the licensing period that allowed the owner to make incremental improvements towards compliance and staff was supportive of a Conditional License being issued. Because no effort towards compliance has been shown by the owner, staff no longer views a Conditional License as a viable option. Staff anticipates that the timeline for the owner to get into compliance would extend into the next licensing period before full compliance can be reached and therefore recommends that the owner apply for a license only after full compliance is achieved.