



AGENDA
CITY OF CHARLEVOIX CITY COUNCIL SPECIAL MEETING
Wednesday, January 22, 2020- 5:30 PM
Council Chambers, 210 State Street, Charlevoix, MI

- 1. Pledge of Allegiance**
- 2. Roll Call**
- 3. Presentations**
 - A. Mayoral Proclamation - Blaise J.P. Snabes
- 4. Inquiry Regarding Conflicts of Interest**
- 5. All Other Actions and Requests**
 - A. Resignation of Leon Perron, Second Ward Councilmember
 - B. Short Term Rental Ordinance
- 6. Reports and Communications**
 - A. Public Comment
- 7. Other Council Business**
- 8. Adjourn**

The City of Charlevoix will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon one weeks' notice to the City of Charlevoix. Individuals with disabilities requiring auxiliary aids or services should contact the City of Charlevoix Clerk's Office in writing or calling the following: City Clerk, 210 State Street, Charlevoix, MI 49720 (231) 547-3250.

CHARLEVOIX CITY COUNCIL

Presentations

TITLE: Mayoral Proclamation - Blaise J.P. Snabes

DATE: January 22, 2020

ATTACHMENTS:

📎 Proclamation



CITY OF CHARLEVOIX

MAYORAL PROCLAMATION

Honoring Blaise J.P. Snabes for Achieving the Rank of Eagle Scout

- WHEREAS,** Blaise J. P. Snabes earned the rank of Eagle Scout with Troop 11 of the Charlevoix Boy Scouts on September 30, 2019; and
- WHEREAS,** Blaise J. P. Snabes planned, organized, and executed the construction of two soccer dugouts at Charlevoix High School; and
- WHEREAS,** Blaise J. P. Snabes collected approximately \$18,000 in donated funds and coordinated 682 hours of labor toward the project; and
- WHEREAS,** Blaise J. P. Snabes displays the character of community service and dedication to volunteerism needed in society.
- NOW THEREFORE, I, LUTHER KURTZ, MAYOR OF THE CITY OF CHARLEVOIX,** do hereby commend and thank Blaise J. P. Snabes for his efforts to improve our community; and
- FURTHERMORE,** on behalf of the City Council and the entire Charlevoix community, I congratulate Blaise J. P. Snabes for earning the rank of Eagle Scout.

Given under my hand this 22th day of January, 2020.

Luther Kurtz, Mayor



CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Resignation of Leon Perron, Second Ward Councilmember

DATE: January 22, 2020

PRESENTED BY: Joyce Golding, City Clerk

BACKGROUND:

Councilmember Perron submitted a letter of resignation on Tuesday. Section 2.6 of the City Charter contemplates the procedure for the filling of a vacancy of a Council seat. Within 30 days, Council must name another resident of the Second Ward to fill the remainder of the unexpired term (which ends in November of 2021).

Council can advertise the position, interview interested candidates, choose by consensus a replacement or some combination of these methods.

ATTACHMENTS:

- ▣ Resignation



January 21, 2020

Dear Clerk Golding,

This letter serves as my notice to step down as 2nd Ward Council Member effective immediately due to health concerns.

It has been a privilege working with you and City Manager Mark Heydlauff for the last several years. And it has been an honor to be a part of City Council and to represent the citizens of Charlevoix.

Sincerely,

A handwritten signature in blue ink, appearing to read "L Perron", is placed to the right of the word "Sincerely,".

Leon Perron
Council Member

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Short Term Rental Ordinance

DATE: January 22, 2020

PRESENTED BY: Mark L. Heydlauff, City Manager; Jonathan Scheel, Zoning Administrator

BACKGROUND:

Attached is the latest working draft of your ordinance on the topic of Short Term Rentals.

RECOMMENDATION:

Council discussion and direction.

ATTACHMENTS:

- ▣ Short Term Rental Ordinance Draft
- ▣ Short Term Rental Information

Section 1: Purpose

The City Council finds the rental of dwelling units in the City of Charlevoix provides value to our local economy but also brings with it negative externalities affecting the year-round quality of neighborhoods, housing supply, and health and safety. The City Council has enacted this regulatory ordinance to strike a regulatory balance between the interests of community residents, business owners, visitors, and property owners.

The community has different expectations for noise, occupant loads, and transient activity in its residential neighborhoods than it does in commercial, and even mixed-used zones where hotels are currently permitted. The renting of a home on a short-term basis is substantially more like a business than traditional residential use.

Section 2: Definitions

When used in this chapter, the following words and phrases shall have the meanings hereafter ascribed to them:

Basement: That portion of a building, which is more than 50% below finished grade. A basement shall not be counted as a story.

Bedroom: A room intended for sleeping or placement of a bed separated from other spaces in the dwelling unit by one or more functional doors. The following spaces **must**, which must be included in every dwelling unit, do not qualify as bedrooms: Kitchens, dining areas, gathering spaces such as living rooms, dens, family rooms and attics or basements without egress meeting standards in applicable building, residential and fire codes.

Business Unit: A zoning use consisting of a residential dwelling unit that may be rented for more than 28 interrupted days in a calendar year. Month to month or yearly rentals are not classified as a business unit per this ordinance.

Calendar year: January 1 to December 31

Dwelling Unit: A permanent building or structure providing complete independent living facilities used for a home or residence by one or more persons who maintain a household. Does not include Bed and Breakfasts, timeshare/fractional ownership, hotels and motels, and boarding houses.

Good Visitor Guide: Materials prepared by the City's Zoning Administrator for display at all short-term rentals.

Local Agent: An individual designated to oversee the STR of a dwelling unit in accordance with this article and to respond to calls and complaints 24/7 from renters, ~~neighbors~~ **citizens** and the city's representatives within 60 minutes of such calls.

Personal Unit: A zoning use consisting of a residential dwelling unit that may be rented for no more than a total of 28 days in a calendar year.

Short-term rental: The rental of a dwelling unit for compensation for a term of 1 to 29 interrupted or uninterrupted nights **in the R-1 and R-2 zoning districts.**

Section 3: Registration **and licensing** required

- (a) All dwelling units, except those which may be duly registered as a principle residence exemption **and any other exceptions as provided for in this ordinance**, used for short-term rentals for more than 14 days per calendar year shall be registered and licensed with the city as stipulated in this chapter. The advertisement or rental of an unregistered dwelling unit for a total 14 days or more ~~weeks~~ during a calendar year is prohibited. Registration **and licenses** shall be issued by calendar year. All short-term rental registrations **and licenses** shall expire at the end of the calendar year and must be renewed each December. When a Short-term rental property is sold, the **registration and** license will expire at **sale** and is not transferable. ~~for future years.~~ Licenses will revert back to the City after expiration, **sale, revocation or 12 months of non-activity** and will be redistributed according to policy set by council.
- (b) The Zoning Administrator shall develop a form(s) to properly carry out this ordinance. The registration form shall collect not less than the following information and other items as the Zoning Administrator may deem effective for implementation of this ordinance:
 - a. Name, address and telephone number of the property owner and/or local agent for the dwelling unit;
 - b. The street address of the dwelling unit, along with other identification if more than one dwelling unit has the same street address;
 - c. The number of bedrooms in each dwelling unit and in the dwelling as a whole;
 - d. The number of days the dwelling unit is available for short term rental each calendar year;
 - e. A statement certifying that the property owner or a local agent will provide at least one copy of the city's good visitor guideline materials to the renters each time the dwelling unit is rented;
 - f. A statement indicating which year the dwelling unit was first used as a short-term rental, and for how many days it was rented in the previous calendar year; and
 - g. A list of all websites and other media where unit is advertised
- (c) **Upon determination that a STR applicant has met all registration and regulation requirements a license will be issued by the zoning administrator.**
- (d) There shall be a fee for registration collected at the time of registration. **An additional fee will be collected at time of licensing.** Council shall set a fee(s) from time to time by resolution; such fee(s) may vary depending on the type of property, dwelling, or other distinction Council may deem advisable.

Section 4: Types of Short Term Rentals

- (a) Personal units. Personal units may be rented up to ~~35~~ **28** days per calendar year when the owner is not present or unlimited when the property owner is present and living on-site which shall not be capped in number across the City. **An owner can register one unit only. Additional units under one ownership will be registered as a business unit.**
- (b) Business units. Business units may be rented without restriction on days rented per year and shall be capped at 100 across the City.

Section 5: Restrictions

- (a) Preference for registrations will be as follows: **Upon adoption of this ordinance,**
 - 1) First, properties duly registered prior to July 1, 2019 and whose principle owner at the time of registration was and remains a person whose principle residence is in the City of Charlevoix and who can demonstrate rental history within the past calendar year.

- 2) Second, properties duly registered prior to July 1, 2019 but whose principle owner at the time of registration was not or is not currently a person whose principle residence is in the City of Charlevoix and who can demonstrate rental history within the past calendar year.
 - 3) Third, properties duly registered prior to July 1, 2019 but which does not fall under either of the above categories.
 - 4) Fourth, all other properties which might qualify for registration and licensing.
 - 5) New applications will be placed at the bottom of a list. Applicants with Charlevoix as a principle residence will get preference and be moved to the top of the list. If the applicant is contacted and offered to register and refuses, they will be moved to bottom of list. A deposit will be required to be on the waiting list. The deposit will be used as partial payment for registration. The deposit is non-refundable when the applicant refuses registration or when the applicant voluntarily withdraws from the waiting list.
- (b) The Zoning Administrator is empowered to develop a method for registration in accordance with this provision.
 - (c) Short-term rental shall follow applicable regulations found within chapter 153 of the Charlevoix City Code.

Section 6: Regulations

- (a) *Local agent required.* All dwelling units used for short-term rentals shall have a designated local agent.
- (b) *Contact information posted.* A notice shall be posted in a prominent location within any dwelling unit used for short-term rentals stating (in at least 16-point type) the name of the local agent, a 24-hour telephone number with which the agent can be reached.
- (c) *Compliance with codes.* The dwelling unit must meet all applicable Residential Building, Health Department, Nuisance and Safety Codes as necessary to protect and safety of occupants.
- (d) *Noise and nuisance.* Noise during quiet hours must be limited to that which does not disturb the quiet, comfort or repose of a reasonable person of normal sensitivities. Quiet hours shall be from 11:00 p.m. to 7:00 a.m. The city's Noise Control Ordinance shall apply.
- (e) *Fireworks.* Fireworks of any kind are not allowed on rental property, except in accordance with the city's Fireworks Ordinance.
- (f) *Fire pits.* There will be no open burning allowed. Indoor and outdoor fireplaces with chimneys are permitted as long as they are not determined to be a nuisance. Natural gas fire pits are allowed.
- (g) *Maximum occupancy.* Short-term rentals shall be permitted maximum occupancy of 2 persons per bedroom plus two persons per finished and legal floor for dwelling as described in the registration and as may be verified by inspections from time to time; no rental shall be permitted for more than 10 persons except those units in operation and registered with the City prior to July 1, 2019 which may have clearly indicated occupancy up to 16 but not exceeding two per bedroom plus two persons per finished and legal floor for dwelling. If the afore mentioned rentals that exceed 10 person occupancy licenses expire or are permanently revoked, future occupancy will be limited to 10 persons. No dwelling unit used as a short-term rental may be built or modified hereafter to exceed to limitation of 10 persons as described above.
- (h) *Parking Restrictions.* Based on lot and neighborhood characteristics, the Zoning Administrator may place reasonable restrictions on the number and manner of vehicle parking.
- (i) *Advertising.* No person shall advertise a short-term rental, unless the advertisement includes the license number and the maximum occupancy permitted in the unit.
- (j) *Fee.* Short-term rentals shall pay a fee as City Council may, from time to time, establish by resolution, to account for costs related to the enforcement, community impact, and other

customary fees and costs associated with short-term lodging which may already be allowed within the City.

- (k) *Inspections and conditions.* Not less than once every other calendar year and/or upon written complaint, the Zoning Administrator may make periodic inspections of a short-term rental to ensure continuing compliance with the approval standards specified in this chapter. In addition, the Zoning Administrator may impose reasonable conditions on a registration issued under this chapter which are reasonably necessary to ensure compliance with the approval standards provided in this chapter.

Section 7: Revocations and Appeals

Revocation procedure. The written notice of the charges and the notice of the hearing shall be personally served on the owner or agent or served on the owner by certified mail, restricted delivery, no less than 14 days before the hearing before the Zoning Administrator.

1. Upon a finding by the Zoning Administrator of a first violation within any 12-month period, the short-term rental registration may be suspended for up to 15 days and during said time the premises shall not be utilized for a short-term rental.

2. Upon a finding by the Zoning Administrator of a second violation within any 12-month period, the short-term rental registration shall be suspended for 30 days and during said time the premises shall not be utilized for a short-term rental.

3. Upon a finding by the Zoning Administrator of a third violation within any 12-month period, the short-term rental registration shall be revoked and the owner or local agent who had been issued the short-term rental registration shall not again be issued a short-term rental registration license for a period of 12 months and during said time the premises shall not be utilized for a short-term rental.

4. Upon a finding by the Zoning Administrator of a fourth violation within any 24-month period, the short-term rental registration and license shall be revoked and the owner who had been issued the short-term rental registration and license shall not again be issued a short-term rental registration or license under that ownership name and the premises shall not be utilized for a short-term rental.

A minimum of a 14 day notice will be given to owners and agents for any suspensions. Appeal from denial or suspension or revocation of a short-term rental registration is allowed.

Appeals. Upon a determination by the Zoning Administrator that the registration of a dwelling unit is subject to revocation pursuant to division (C)(5) above, the Zoning Administrator shall issue a notice to the owner, agent and all property owners within 100 feet of the registered STR stating that the city intends to revoke the rental registration. The notice shall inform the owner and local agent of a right to a hearing to show cause as to why the registration should not be revoked. If a hearing is requested and the fee is paid within 14 days of the service of the notice, the city shall schedule the hearing before the Zoning Board of Appeals and notify the owner and agent in writing of a time and place for that hearing. At the hearing, the owner and agent may present evidence that the requirements for revocation provided in division (C)(5) above are not satisfied, or that the property owner and agent should not be held responsible for one or more of the three requisite violations due to extenuating circumstances. Extenuating circumstances may include circumstances that the owner or the owner's agent could not reasonably anticipate and prevent, and could not reasonably control. The Zoning Board of Appeals shall independently determine whether there is competent, material and substantial evidence establishing a violation of this division (C), and/or whether there is competent, material and substantial evidence establishing that extenuating circumstances exist.



Memorandum

To: The Honorable Mayor Kurtz and the Charlevoix City Council
From: Jonathan Scheel, City of Charlevoix Zoning Administrator
Re: Short Term Rentals
Date: January 22, 2020

Recent changes to the draft Short-Term Rental Ordinance have potential consequences to the number of business rentals that are currently capped at 100. The current draft is regulating only the R-1 and R-2 districts. Not regulating other districts removed a substantial number of business STRs from the list you were working from. Because of this, I have reviewed the current list. Below is the current breakdown:

174 Total number of registered STR units
 52 units in R-1 (4 in North Side Office Overlay District)
 63 units in R-2
 69 active

37 Placeholder units (no documented activity)

68 Exempt units (not in R-1 or R-2 Districts)
 R-2A 1 unit
 R-4 6 units
 MC 13 units
 CBD 16 units
 CM 24 units

13 Personal units (28 days or less)

56 Business units (more than 28 days)
 15 people own 47 business units in R-1 and R-2 districts (6 are local owners)
 3 other units have a local owner (City of Charlevoix)
 7 units have same address as owner (potential Personal units)
 10-15+ units are being used as long-term rentals

I draw the following assumptions based on the registrations and the current draft ordinance:

1. Placeholder units are units showing no past history before July 2019. Registered in the two months after the moratorium was put in place.
2. Personal units. I believe this number is actually quite a bit higher. There are 23 units that are in the business unit category that are reporting renting less than 28 days but are listing they will rent well above 28 days in future years. Many have been renting for two weeks but list 52 weeks for future years as a place holding tool. I believe these really will be registered as personal units.