

RICO TOWN BOARD WORK SESSION MEETING MINUTES

Date: March 7, 2022

Call to order

Mayor Nicole Pieterse called the meeting to order at 7:02PM.

Trustees Present:

Mayor Nicole Pieterse
 Mayor Pro Tem Patrick Fallon
 Trustee Christopher Condon
 Trustee Joe Dillsworth
 Trustee Brandy Randall

Absent:

Trustee Joe Croke
 Trustee Benn Vernadakis

Staff Present. Chauncey McCarthy and Anna Wolf

Work Session Items

Short Term Ordinance Work Session

Mayor Nicole Pieterse prompted the meeting with a reminder that at this work session they cannot discuss any pending applications. The public was also reminded to make sure their comments were clear and concise with factual content.

Meeting was noticed 2/16/2022 asking for questions, comments, and concerns. The goal of noticing the work session early was to have lots of participation.

Town manager Chauncey McCarthy summarized the current regulation on Short Term Rentals. 2011-3 amendment to the land use code. Reference in land use code to Short term Rental as special use of 30 days or less. Exemptions are motels, hotels or bed and breakfasts.

Board of Trustee Round Table Discussion:

The premises upon which the work session was based:

- STRs can provide more access for the friends and family of the residents of Rico, as well as tourism, and with that a more vibrant and diverse community.
 - STRs can provide a material revenue stream to the town to provide additional funding source for the cost of town services and capital projects,
 - Short term overnight housing demand exceeds supply in Rico.
 - Wholly unregulated, STRs could have the potential to negatively impact the citizens of Rico. The risk is real and any regulation considered should seek to mitigate the risk.
 - There is a distinction between residential and commercial zoning which should be accounted for as STR regulations are considered.
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- Regulation is necessary at times, but all else equal less regulation is better than more. We are a small town with a volunteer governing structure. It is expensive and burdensome to extend and manage regulations.

Proposed STR Governance Framework to consider:

For residentially zoned properties:

App fee - \$2,500 initial and \$1k annually thereafter (starting numbers).

Non-licensed STR violations - Penalties

Complaint process and resolution - TBD, but suggest a three strike model:

1 strike - Warning/probation

2 strikes - Suspension

3 strikes - Loss of license

Need a formal review process. Will certainly need legal counsel to ensure it's impossible that does not expose the town to liability.

Additional controls which could be considered if the board and/or the voice of citizens expresses a desire to have:

- Caps on licenses per residential "neighborhood" (Commercial zoning exempted)

- Quota of nights per property per year

- Caps per entity/owner (In other words control for multiple property portfolio-based STR speculation)

Other considerations:

Divide Rico into 6 neighborhoods:

Atlantic cable

Central Rico S of soda N of Silverglance include

Silverglance

West Rico

Soda street subdivision

Piedmont

Excluding the Commercial District

Dividing Rico into quadrants with equal number of houses in each quadrant.

Cap of 2 STRs per neighborhood which would allow for 12 in the town limits. Or percentage of houses in Quadrants not to exceed a total of 12 in Rico with room to adjust in the future.

Potential floater permits if certain quadrant or neighborhood is being underutilized.

ADUs and rooms in primary residences should be exempt from cap.

Making sure the ordinance can be enforced. Compliance must be included in ordinance.

Including the municipal court. Fines must be big enough to deter illegal STRs.

Add a timeline for permits. All permits should start on the same date. Instate an application season, not a first come first serve system. If more applications come in than permits use a Lottery system.

Create a checklist for permits. Once ordinance is in place the Town Manager can oversee the STR permit process. The Town Manager can always escalate applications to the board.

Have a process to log complaints against STRs. Complaints must be backed up with video or audio recording.

STR applicants must have a local contact to be compliant.

Potentially mandate the use of an aggregation service. The software will ensure the correct percentage for lodging tax is being remitted to the Town.

The town is not responsible for offsetting legacy homeowners cost at the communities cost.

Make sure the permits have a use it or lose it clause in the ordinance.

Make the permits non-transferable.

Public Comment

The public was divided into three parties: legacy homeowners, residence opposed to STRs, residents who want STRs to be regulated.

Residents who want regulations:

Concerned about the ability to enforce rules if there are too many.

Lottery results should be public.

Three strike rule is good but the property owner must be notified.

Fire department would like 10% of lodging tax to be allocated to the Fire Department for capital improvements. More STRs means more emergency calls.

Neighborhoods lose something by not knowing their neighbors. Limiting number of nights for STR could improve this.

Residents against STRs:

Concerned about the risk of STRs dragging down the continuity of the community.

Would be better to keep the residential zones residential. The zoning regulation needs to be kept per our Land Use Code.

The ordinance draft should be available to the public with plenty of time before the first reading.

Who determines who gets to conduct business in a residential zone?

Limit STRs to full time residence only.

Concerned about the impact this ordinance will have on the limited staff and volunteer government.

STRs must be an absolute benefit to the town financially as well as benefit the community.

Why do the legacy homeowner's not long term rent their houses to better the community?

Residence have gathered 50 signatures against STRs.

Legacy Homeowners:

Using the inherited home to STR so improvements can be made to the property.

Bringing business and involvement into the community through STR.

Reinvesting in the community because of STR.

STR offsets the expense of owning the home in Rico.

Cannot long term rent these houses as the owners would not be able to come up whenever they want. Long term renting can have a bigger impact on the property.

Board Recap

Creating cap based on quadrants with similar number of houses in each.

Adopt the three strike system.

How to move forward with existing permits

Owner occupied unit exception from cap, but included in application fee and tax structure.

Commercial zone should be exempt as use by right.

Motion

To adjourn.

Moved by Trustee Joe Dillsworth, seconded by Trustee Christopher Condon.

Vote. A roll call vote was taken and the motion was approved, 5-0.

The meeting adjourned at 8:59 pm.



Anna Wolf
Rico Town Clerk



Nicole Pieterse
Mayor

