

**Lake Township**

**July 27, 2023**

**Joint Meeting of the Board of Trustees and Planning Commission**

**Sleeper State Park Outdoor Center**

**6435 State Park Road, Caseville, Michigan**

**Call to Order 6:00 pm**

**Roll Call - BOT Present** - Valerie McCallum, Nicole Collins, Clay Kelterborn, Dale Hartsell, Jim Deming

**PC Present** – Robert Siver (Chairman), Nicole Collins, Keith Hoffman, Tim Quinn, Tim Lalley

**Appointment of Joint Meeting Chairperson** – It was decided that McCallum would act as Chair for this joint meeting. A motion was offered by Collins, supported by Hartsell. All in favor, motion carried.

**Approval of Agenda** – A motion was offered by Collins, supported by Hartsell, to approve the agenda as presented. All in favor, motion carried.

**Establishment of Rules for Meeting** – Because there is no Recording Secretary present, Hoffman and Deming agreed to compile minutes for the meeting.

A Public Hearing had previously been held June 28, 2023, concerning the proposed Short Term Rentals (STRs) Ordinance. At this hearing, the Planning Commission requested a joint meeting with the Board of Trustees to discuss the STR Draft Ordinance and the manner which the proposed ordinance to ban STRs was developed and presented to the Planning Commission prior to the Public Hearing.

Public comments will be heard when the BOT and PC conclude their discussion. Siver stated that a three-minute rule allotted to each person to allow all who wished to speak an opportunity to do so worked well at the public hearing. The audience was reminded by Hoffman to direct their comments to the BOT and PC and not the audience. Siver noted applauding a commenter may intimidate subsequent speakers, so applause should not be allowed. Commenters are to state their name when beginning their comment.

**Discussion of STR Draft Ordinance** – Siver stated the reason the Planning Commission requested the joint meeting was because members of the PC felt they weren't as well informed as they should have been concerning the BOT "change of direction" of the proposed ordinance prior to the Public Hearing held June 28, 2023. Some members of the PC sought clarification as to the process by which this decision was made.

**PC member Hoffman comments are as follows;** Stated his personal opposition to STRs. He felt the BOT and PC needed to try to find a balance. However, the BOT tasked the PC to develop

an ordinance to clarify the regulation of STRs. Hoffman took ownership of the task and spent over 40 hours researching the local regulations across the state regarding regulation of STRs.

After numerous meetings, the PC developed an ordinance to regulate STRs and made a recommendation to the BOT. The recommendation was to allow, restrict and regulate STRs within the township. The following month, the PC was informed the BOT would consult the Township Attorney and the BOT had some minor changes to the proposed ordinance.

After the ordinance proposed by the PC went to the attorney, it was noted the difficulty in effectively enforcing the proposed ordinance.

Hoffman then stated some of the concerns of allowing STRs in referencing the proposed Ordinance to ban STRs. The results of his subsequent research are as follows:

**STRs decrease property values (Art. 2b)** – After researching 39 different articles pertaining to the subject, only one article supported this. The determining factor in regard to property values is the high concentration of STRs in any given area. The other articles and research projects indicated that property values increased slightly when STRs were present.

**STRs are frequently rented to more than one family (Art. 2c)** - The PC proposed ordinance addressed this issue by limiting the number of daytime and overnight guests allowed at an STR.

**STRs are not properly maintained (Art 2e)** - In some cases this may be true. However, overall STRs need to be well-maintained to be presentable to rent. The owner's vested interest in the property and its ability to be a viable source of income depends on the condition of the property.

**Enforcement Costs (Art 2f)** – It was stated by Hoffman the township does not have the resources currently available for enforcement. Hoffman discussed that registration fees from the STRs would be of a sufficient amount as to fund whatever costs are necessary. The Huron County Sheriff and numerous deputies stated they would respond to any and all calls according to the resource availability at that time.

**Practicality of Enforcement (Art 2g)** – Hoffman questioned where the resources are going to come from for a ban as opposed to regulation of STRs. Hoffman stated that if resources would not be available with a STR ordinance how would they be available if STRs are banned.

**Article 2h** – Hoffman asked for clarity of facts on which this article is based that indicated that “STR users are “more intensive...and problematic”.

**Renters rarely familiar with area (Art 2i)** – STR owners stated during the Public Hearing they have a large amount of repeat customers. The issue is the adherence to noise, trespassing on beach accesses, etc. by the renters of STRs. The PC proposed regulation did address this but the ordinance could be enhanced in regards to this issue.

**Enforcement (Art 3)** – There was nothing in the proposed ban addressing the penalties levied for anyone who continues with an STR. The proposed PC endorsed ordinance did contain

certain penalties for violations of the proposed ordinance. Hoffman stated our record in the Huron County Court System in regard to general ordinance enforcement is not good.

In conclusion, Hoffman agreed the current STR situation within the Township needs to be addressed sooner rather than later. Hoffman stated he thinks we will have issues from a legal standpoint should the ordinance to ban STRs be adopted in its current form. His recommendation is to regulate the STRs according to the ordinance originally proposed by the Planning Commission.

### **End of Hoffman's initial comments**

Hoffman was asked how many STRs he felt should be allowable. Hoffman said 10-15% maximum allowed as a test case. However, upon hearing there were approximately 1,400 home in the township, Hoffman said number of allowable STRs should be lower. An outside firm previously identified about 40 STRs already in operation. Deming stated this seems like a more realistic limit.

Permit fees were discussed. Hoffman said fees would have to be such that costs to administer the registration and enforcement costs to allow STRs were covered by STR owners only. Penalties would also be significant to discourage operating an STR illegally.

Enforcement was discussed as far as police to support the township for issues that arise with STR clients. There is a perception the Sheriff department is not always responsive to complaints on a timely basis, if at all. The Huron County Sheriff told a member of the Planning Commission an officer would respond to a complaint in the township. The sheriff offered to address either the PC or the Board about this matter.

When acquiring a township police office was mentioned, Collins stated the millage to support an officer was previously on the ballot and was not passed by the voters of the township.

Kelterborn stated the issue was discussed with legal counsel and the attorney gave examples of the difficulty other communities were having administering their programs once allowed. Kelterborn further stated that hiring a company to monitor STRs still fails to put "boots on the ground" to handle the issues brought about by noise, trespassing on beach easements, garbage left behind, etc. that comes with the disregard of many transient clients of STRs. Real time complaints are many times left for neighbors of STRs to deal with on their own.

**McCallum comments as follows** - The PC in October 2022 recommended a General Ordinance to the Board for STRs. The attorney at that time pointed out that the township would be required to amend the Zoning Ordinance to allow STRs to legally operate within the Township as a use by right. Should any issues arise, and subsequent changes to the Zoning Ordinance become necessary, once granted as a use by right any STRs in operation at that time would be grandfathered in to be allowed operation within the residential districts.

Deming, Kelterborn and Siver held a conference call with the township attorney in March 2023 to discuss the matter. After the conference call, Deming and Kelterborn stated to the board granting a use by right to STRs was not in the best interests of the township. The attorney pointed out the difficulties enforcing any ordinance regulating STRs with the township's limited resources. The Zoning Ordinance was silent on STRs.

Concerns from the full time residents of the township required action from the BOT on the matter. At the April BOT meeting, a motion to send a draft of the ordinance banning STRs, prepared by the attorney, to the PC was passed. The PC was also to schedule a public hearing.

The township tabled the STR issue at the time of the adoption of the current Zoning Ordinance (November 16, 2020) to allow passage of the balance of the Zoning Ordinance. The PC has been working on the STR portion for a couple of years. McCallum stated the PC members received a copy of the Ordinance proposal to ban STRs for their April 2023 meeting.

In summary, many people purchased in the township to enjoy the peace and quiet a rural residential setting affords and do not wish to live next to a hotel.

### **End of McCallum Comments**

Lalley provided his concerns related to the change in direction of the Board which focused on a variety of issues. He noted the history of rentals in Lake Township. Some of the issues were related to comments already made while others focused on the change and the lack of notification to the Planning Commission members concerning the change from regulation to banning STRs.

Quinn questioned the change in the ordinance with issues similar to Hoffman and Lalley and questioned why an ordinance would be needed at all.

A concern was voiced by Kelterborn that Airbnb and VRBO and even Facebook has changed the complexion of renting in Lake Township. A great deal of time has been spent on the issues by both committees.

Deming asked the members of the PC if they felt the BOT did a complete turnaround and sent them a ban after the PC spent many hours trying to craft an ordinance to regulate STRs. Some members of the PC felt this was true.

Collins commented that across the state bans and moratoriums have been initiated and enforced to disallow the operation of STRs except in commercial districts.

Quinn asked to go on record stating he is not sure a problem exists currently with STRs. He also questioned why the attorney was not involved earlier in the process of developing the proposed ordinance. By being aware of the ramifications of allowing STRs a use by right earlier in the process, many hours of the PC member's time would have been saved.

McCallum reiterated that STRs are commercial enterprises in the residential district and that people have purchased here because we are zoned and felt that as such, we need to keep our zones true to their purpose. Commercial use in the residential zones is not appropriate.

## **Public Comments –**

Linda Palmer – Asked whether BOT would be voting on Ordinance at their regular meeting following the joint meeting. Inquired as to the costs of attorney consultation for this matter.

Jim Walsh – Supports ban on STRs; Stated these are in zoned residential districts. A bed and breakfast would require rezoning to Residential-Business; why should STRs have an advantage in this matter? Noted the requirements he was required to adhere to for his construction project according to the Zoning Ordinance; stated the concept of operating a business in a zoned residential district is wrong.

Sandra Murphy – Supports ban on STRs; There are already too many STRs within the township. Because of the transient nature of the STR clients, it is ruining the residential atmosphere of the neighborhoods.

Marsha Yates – Supports ban on STRs; Inquired as to how the STRs are being taxed; Wondered if they are getting the normal homestead rate. Solicit the support of neighbors to help monitor illegal use of STRs.

Amy Lee, business owner – Concerned about the effect ban would have on peripheral businesses such as retail, cleaning, lawn care, etc...would like a compromise.

Nicole Cieslinski – Inquired about complaint resolution; Proposed a registration survey for STR owners to gauge interest; It was her opinion the surrounding communities were not having any issues with STRs.

Robin Passman - Supports ban on STRs; Owns vacation home over 20 years ago and has had to ask STR clients to stop loud music at 1:00 AM; Has witnessed public urination by renters; Asked if STRs decreased property values.

David Robinson - Supports ban on STRs; Restated it is zoned residential district; has had to clean up after STRs; Feels there is no STR owner accountability; Wondered if STR owner's insurance companies are aware of the operation and how the liability insurance on said STR protects neighboring properties.

Jim Kranz – Feels the township needs to support local business by allowing STRs to continue.

Hal Lanfear - Supports ban on STRs; Feels a Zoning Ordinance needs to be established; Supports enforcement of same; STR owners take no pride in the community where their STR is located; Rural to residential change requires regulation of for the integrity of the township.

Morine Rehbine - Supports ban on STRs; Stated they have to deal with different unknown neighbors every weekend; Basic rules for the shared easements are not honored by STR clients.

Mike Manenti - Supports ban on STRs; Residential zoning is simply that, residential; Not in support of allowing STRs; No provisions in current Ordinance allowing business operation.

Chuck Christensen – STR owner; Said state-licensed homes are allowed; Stated board was short sighted in not allowing STRs; Said STRs are mixed use; Compared STRs to pet-sitters and paper routes.

Ann Krzeminski – Inquired as to the liability issues associated with STRs and whether the surrounding properties are protected by STR owner’s insurance policies.

Sharon Debano - Opposes ban on STRs; Stated septic concerns with a large family are as pertinent as those concerning STRs; Cottages are being better maintained for rentals; Questions how an STR is different than remote work; Thanked committees for their work

Lynnea Matthews – STR owner; Disagreed with Art 1 of proposed draft ordinance as it pertains to her property; Prior to opening STR, approached the BOT in April 2013 to inquire as to the legality of operating the STR; Was directed to the PC at the time; Stated she was told there was nothing in the Zoning Ordinance preventing the STR; A new Ordinance was adopted November 16, 2020. Stated lawsuit against township is imminent should an Ordinance Amendment disallowing STRs be adopted.

Julie Roe – Business Owner – Stated area communities rely on tourism to survive.

**Adjournment** – A motion was offered by Hartsell, supported by Collins to adjourn. All in favor, motion carried.

The meeting was adjourned at 7:51 P.M.

Respectfully submitted.

Keith Hoffman