

LEGISLATIVE COMMITTEE MINUTES
of June 27, 2022

In Attendance: **Vermilion City Council:** *Monica Stark, Council President; Steve Herron, Council At Large; Pat Stein, Ward One; Greg Drew, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five. Absent: Teresa Mayle, Ward Two*

Administration: *Jim Forthofer, Mayor; Chris Howard, City Engineer; Amy Hendricks, Finance Director; Chris Hartung, Police Chief; Tony Valerius, Service Director*

Call to Order: Greg Drew, Chairman, RESOLVED THAT this Legislative Committee comprised of the committee of the whole does now come to order.

TOPIC ONE: **Review of Ordinance 2022-33 (Rental Registration)**

M. Stark reiterated that council was going to follow the same rules they followed for the DORA program, so they will limit public participation to three minutes.

John Waggoner of 465 Walnut Street said he lives in Linwood and owns a rental property there. He appreciated the last meeting where council seemed to conclude that a registration form would be appropriate rather than what was in the previous legislation. He said he saw Greg Drew at the barber shop, and he seemed to be good government. He said that council probably did not need him to help them with a registration form, but he added comments just in case. He was envisioning an easy form online that could include questions such as smoke detectors and the number of rooms. He was thinking \$25 to \$50 as a fee with the hope that annually the city would send an invoice, so they do not have to remember to come in and pay it. It seems like it would be appropriate to have a large penalty for those who do not register their property, and it would be helpful to pick a date in the future to start this, so they have the leeway they need. He has renters all summer and if they start too soon and he does not have the registration form ready, then this would be difficult for anyone that has transient rentals.

Jeffrey Zabor, President of the Linwood Park Company of 474 Walnut St. thanked council with not rushing through this issue and giving them plenty of opportunity for input. He said it is still not clear to him exactly what specifically the problem is that this legislation is intended to solve, and he was not sure specifically how the proposed legislation solves that problem, so he hopes council is clear on these issues. He thinks that it is likely to have a somewhat depressing impact on those who rent their houses that support tourism and recreation in the city, and he is hopeful that the impact it has is justified by the problems it is solving. He hoped

there would be an opportunity to review the impact it has as time goes on and to revisit this whether it continues to be appropriate.

B. Brady said she did not see anything in the legislation relative to the lodging tax. She noticed in the Huron ordinance they specifically say you must register for the lodging tax in Erie County. A. Hendricks said the city's lodging tax is a separate ordinance, but it can be required on the application form to verify they have indeed registered and are paid current on those. B. Brady said the Huron registration has specific things they are looking for such as smoke detectors, rails, etc. T. Valerius said they do have these listed.

P. Stein said there will be a lot of new building and growth in Vermilion, and they already know that the building inspector is up to his ears in work, so does Vermilion need to hire a part time inspector just to do these inspections. T. Valerius said at least a part time inspector. P. Stein asked if it would be more prudent to have a check list for the people to fill out who are registering.

G. Drew said he would propose a \$50 registration fee, but \$50 will not support an inspection of a house, and he does not think the other taxpayers should be burdened with this expense, so he proposed a scaled back version of what they have. He suggested a registration process somewhere around \$50 to \$75 and to impose a penalty if they operate a transient rental in the city that is not registered. It could be a three strikes you are out rule, so if you are not going to be a responsible owner, then you are not going to get a permit, or your permit is going to get revoked. He thinks a lot of the language in the current proposed legislation could stay. If you are behind in your taxes, then you should not make money and cheat the schools. He thought for \$50 this is something the building department could process and review. He said it could be a rolling permit – it does not have to be a set day. He would leave this up to the input from the building department, but do they want to make it April 1 every year or a twelve-month rolling cycle where if you register in September, then it is good until September the following year. This would be less burdensome for the building department if they did it that way. He would like to get this going now and reevaluate it in a year. He said he has never been a fan of the limits for the 60-minute response, but if council wants to leave it in there, then he will live with it. P. Stein agreed with the 60-minute response. B. Brady thought they took this part out and said it just must be a local person.

B. Brady thought \$50 was too low at least for the first year. She said there will be a lot of paperwork the first year and they need to make sure they have insurance. If they want to lower the fee and the administration can live with it – she thought A. Hendricks had said they needed \$400 to cover the costs of the software, so maybe they could do \$400 the first year and drop it to \$200 the second year. She thought they should remove the one hundred Airbnb limit, so it does not become a problem, and the 60-minute thing can be removed if they list a local name on the

paper. She said they have penalties in the ordinance that do not appear clear to her. G. Drew said he would support simplifying this as he does not think it is council's goal to charge somebody \$4,000 or \$10,000 for a violation. They need to come up with something reasonable. B. Brady said she does not have any problem charging them thousands. G. Drew said they could make it an escalating penalty because they should give them an opportunity to correct it because everyone makes mistakes.

M. Stark said the penalties as she understands is that the building department assesses the owner for violations, so if they ask them to correct something and they are still running a business and they reinspect and it is not corrected after the time limit, then those fines are going to be assessed. If they fail to obtain a permit, they are guilty of a misdemeanor, so that is a whole different penalty, and they would be fined \$100 for each day during or on which a violation or noncompliance occurs or continues.

B. Brady thought if an inspection is failed, they should be charged \$50. G. Drew said they could not do an inspection for this scaled down fee. It would not be fair to the other taxpayers. B. Brady said they could do \$400 for the first year, which she does not think is unreasonable because of the paperwork and the inspection. Then the following year the fee can be dropped. G. Drew said the \$400 to him seems like a money grab when they are not doing an inspection. B. Brady said, "When they're running it for a couple thousands a week."

M. Stark felt the city needs to do an inspection because a couple of years ago when they first started looking at this there was a fire call above a building and they were running an Airbnb, and there were so many safety violations and no exit signs, so she feels they need inspections for the safety of the people that come in. She is not saying everybody is running these with problems, but they will find these things when they do inspections. This is protecting lives of the people coming to Vermilion to visit. If everybody feels that \$400 is too much, then drop it to \$300. If they have done their safety inspection, will they need to do a safety inspection every year. Could they do it every other year with a biannual \$300. This will be less pricey for the property owners, and it will be less taxing on the building department. B. Brady said they could do it every two years. M. Stark said she has heard from the public that they do not like the limit and Linwood is exempt from the limit. They are not being counted and the rest of the community they are saying that 100 homes can be Airbnb's, but they can eliminate the limit. If they see they are getting too many they can revisit the ordinance because it is a working document at any time. She said if somebody is behind on their taxes, she agrees they should not be able to get a permit.

B. Brady asked about zoning districts, are they doing this across the board, or are they eliminating the industrial zones. M. Stark said it is defined as a dwelling which

is designed or used as living quarters for one or more families, so if there is a dwelling in an industrial area, then it is already a dwelling and it is already coded and approved through the building department. B. Brady asked if they ended up doing anything with the parking. M. Stark said they are eliminating this because they already have ordinances on the books that the police department can enforce.

G. Drew asked T. Valerius if he has investigated an outside contractor that can do these inspections instead of a part time employee. T. Valerius said they may have to. G. Drew said if they can get somebody to do these inspections for \$100, then maybe they can charge \$250. He has listened to everybody that has come before council and he does not want to make this so costly that it is not worth it, especially for the people in Linwood that are renting their houses for a few months. M. Stark said they must realize they are renting it and they are making money on their rentals. These are businesses that they are allowing them to have in their residential neighborhoods. G. Drew said he wants to protect the residents who are living in their house 365 days of the year. He suggested tabling this issue and asked the administration to get some feelers for an outside vendor that would do an inspection and get some pricing. They can come back then with a realistic number that is fair for the city and to the owners.

B. Holmes said with the city taking on the township and the growth happening in the city, is it feasible to have the building inspector go out every day to inspect these rentals. T. Valerius said no, and they would have to hire somebody. With what they have seen with the new developments coming into town and the possibility of what is coming in the future, and with the township, the building inspector is very busy. B. Holmes asked him if he felt inspections were necessary. T. Valerius said it is not a bad idea as they want to make sure there are smoke detectors and working CO detectors, so it is probably a good idea. B. Holmes said they want to protect the folks that are visiting Vermilion and the folks that are living in town.

B. Brady asked if the city can 1099 a contractor to do the inspections. A. Hendricks said yes.

M. Stark said with all the growth will the city need to add somebody anyway, so then they would be able to have somebody that could handle this. Mayor Forthofer said they have talked about this, but they first want to see the need materialize. The speculation that they are going to have buildings on Sunnyside and other things have not happened yet. T. Valerius said the building inspector cannot handle anything more right now. M. Stark asked if they could have handled this prior to taking on the township, but now they can't. T. Valerius confirmed. M. Stark said this is something they have been discussing for a long time and the administration knew it was coming. T. Valerius said they are seeing a lot of development happening now. He said if they are opening the floodgates and will have 100 people

wanting inspections right away so they can start... M. Stark did not think they could make it happen tomorrow where they would need an inspection. This is not feasible on either end for anyone.

G. Drew asked council to table this issue for a month so the administration can find a couple of vendors that do these inspections. This issue was tabled to next month's legislative meeting.

TOPIC TWO: Review of Ordinance 2022-47 (Encroachment Easement on Toledo Street)

Chris Howard reported that the existing building encroaches into the city right of way on Toledo Street. It has been there for many years. They have approached it like they have on previous encroachments, and they will need to provide additional information, and their attorney will need to prepare a grant easement that will be reviewed by the city's law director. It encroaches maybe 6". B. Brady asked if the city would be selling them the property. C. Howard said no, council is just giving them permission to encroach on the right of way. He said the owner is looking to possibly split off this building and sell it. G. Fisher said council needs to table this ordinance until the city receives the paperwork.

Greg Drew adjourned the meeting upon no further discussion.

Next meeting: July 18, 2022 @ 7:00 p.m. at the Vermilion Municipal Court Complex, 687 Decatur Street, Vermilion, Ohio