

# RECORD OF PROCEEDINGS

Minutes of

Minutes of the Vermilion City Council Work Session

Meeting

GRAPHIC VILLAGE - CINCINNATI, OH

Form 6101

Held

Monday, February 14, 2022

Videos and minutes of council meetings are available to the public to view online at [www.cityofvermilion.com](http://www.cityofvermilion.com) under 'meetings' tab (City Meeting Minutes or Videos).

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

**Administrative Staff:** Jim Forthofer, Mayor; Amy Hendricks, Finance Director; Tony Valerius, Service Director; Susan Anderson, Law Director

## CALL TO ORDER:

Monica Stark, President of Council called the Monday, February 14, 2022, Vermilion City Council Work Session on Transient Rentals to order.

She explained the clerk distributed the latest ordinance that had been reviewed by Council and Planning Commission last fall, and as of this morning she also sent Council a copy of Huron's latest amended legislation from 2021. When City Council originally started reviewing transient rentals they pulled Huron's ordinance which at that time was very basic. Since then, they have done a lot of work on theirs and it looks good.

Pat Stein said places like Linwood have always been transient rentals – there are a few homes that are permanent, and she would like to see them remain transient. M. Stark asked if she would like them to be exempt from the ordinance. P. Stein said she doesn't want them exempt from inspection, but just wanted to make a point that they have been doing this for close to 100 years and they patrol their own. M. Stark noted Huron caps their transient rentals and asked if she would exempt them from this count. P. Stein said it depends on what they come up with as a number.

T. Mayle asked how many transient rentals are in Vermilion. A. Hendricks said it may be around 60ish.

S. Herron said in looking at the Huron ordinance, which is feels is very good, there is a couple parts of it that he doesn't know he agrees with, but on Page 5, Section 1369.05 under Owner Responsibilities the city has been approaching the parking issue from a perspective that there has to be a minimum amount of parking or they have to respect other parking on the street or something like that, but what is interesting about what Huron does, they simply mandate that the Owner shall prepare and maintain a parking plan to designate off-street parking or the use of all vehicles associated with the property, so he thinks they could leave it at that and simply allow the opportunity to present the plan. If it is an unworkable plan on their part, then he thinks the administration can say no they are not allowing 30 vehicles on one street. He said the next paragraph in that section states that the property owner shall be physically present in person within sixty (60) minutes of any notification by a member of law enforcement or the fire department. He said he doesn't want to fault somebody in another community that wants to purchase property in Vermilion and invest and do good things with it if they live in Columbus or something like that. M. Stark said it does state the owner or authorized representative, so if the owner lives more than sixty (60) minutes away, then the representative may be close. G. Drew asked what would happen if he owned the property and he went to Columbus for the day, and something happens. M. Stark said he could have an authorized representative. G. Drew thought he could call family, friends, or a neighbor as a possibility, but he thought they should have more discussion about this. He said they can come up with no off-street parking, but how do they enforce it. He felt they shouldn't just throw stuff in the ordinance just because it sounds good and it may make somebody happy, but not enforcing it would be his concern. He did like the parking plan.

Mayor Forthofer agreed they can only enforce so much, but on the other hand one of the things that brought them here is the discussion of transient rentals that cause clutter in the neighborhood with a bunch of cars, especially if you have friends visiting. He said in the beginning discussions, the administration was asked to come up with a cost per inspection, and he believed it was about \$400.00 an inspection, which gave people some pause. He believed the Huron ordinance also is \$400.00 and it is council's right to do whatever they want to have a fee that is less than that. He said whatever costs are not covered by the business owner, would have to be borne by other taxpayers who probably do not have the opportunity to recoup costs through having a business.



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Amy Hendricks said when she and Bill DiFucci were consulting with the Granicus folks, one of the things they mentioned as a benchmark for studying that fee as an average was looking at potential income for two-nights of rental, and she knows a couple years ago that was \$400.00, but it is probably closer to \$450.00 or \$500.00 now if you look at the active listings, so it really is something that is prohibitive to the business owner.

G. Drew said he would like to see when they get to the evaluation of an owner and getting the permit process. He would like the city to have something written that if they're behind in property taxes, they do not get a permit. They either pay their taxes up front or maybe they entertain them in getting on a payment plan with the county, but really the city shouldn't allow owners to come in and buy properties. When homes were cheaper, people were buying them up - \$20,000 and flipping and renting them out - doing Airbnb or Section 8 and not paying any property taxes, and it takes forever for the county to take any action, so they could be four or five years down the road with back taxes, and then they are collecting money from a voucher or Airbnb. He said Huron doesn't address this and he hasn't see others that address the property tax, so he would like to see this added into the ordinance. G. Fisher believed they had discussed this before and it may have been an issue on who would track the information through the county. Who would be responsible? G. Drew said this is a quick search on the county auditors page - they are talking a five-minute task from somebody of the city when they're pulling up the paperwork to issue the permit. It's just one more thing to check off the list. G. Fisher asked what would happen if they paid their taxes up to date and the website didn't reflect the current updated information. G. Drew said if the website shows they owe taxes, then they need to bring the city the receipt of payment. G. Drew said maybe give them 30 days to make their payment. T. Mayle said this could be a requirement on the registration. M. Stark thought this was a good idea.

S. Herron said the best way to handle the sixty-minute thing is they could require the property owner to be able to be contacted if there is an incident because if there were a problem, they would want to come back he would hope fairly quickly. Susan Anderson wondered if the purpose of this language is to be within sixty (60) minutes to avoid out of state owners buying up property and renting. She knows this was an issue in Nashville as out of state owners were buying tons of property and renting them out and they were not present. So, this may be something to consider when you're regulating that aspect of it.

T. Valerius wondered if there is something the tax department could issue to the property owners showing they are current with their taxes. A. Hendricks said they can go on the auditor's website and print that information as well. G. Drew said the city can just check it when processing the paperwork. M. Stark thought the auditor's website is pretty current. G. Drew said if it shows they are paid up for half of the year, then they really don't have to worry about this, but if they're a year behind then it would be an issue.

B. Holmes said Huron has lodging tax information on their application - how does this work for Vermilion? A. Hendricks said Vermilion does the exact same thing. There is an online portal. B. Holmes asked if Lorain County has an online portal. A. Hendricks said they do not do collections for the local municipalities. However, they have an agreement with Erie County where they actually collect all of the Vermilion ones regardless which side of town they're on. B. Holmes said the city will collect their three percent. A. Hendricks said this actually goes through the county and then they disburse it. B. Holmes felt Vermilion should include the same lodging tax information on its application. He said to him it seems that Vermilion is a place where people come and visit all the time, and this should be pretty simple to put something together he would hope. He said they can still keep their neighborhoods quiet and safe. He likes that Huron's definition on the application for Transient Rentals as it means any residential premise or part thereof, and Vermilion's definition used this terminology. G. Fisher said Vermilion used dwelling unit. B. Holmes said he liked the means of any residential premise or part thereof.

M. Stark asked the law director if she had a chance to review Huron's amended legislation. S. Anderson said she had not, but she was taking notes in terms of any follow-up if she needs to address it.

S. Herron thought the \$300,000 insurance coverage in Huron's ordinance on page 6 is good. Additionally, another thing important to address is the tax imposition. The tax is three percent (3%) on all rents paid or to be paid by Transient Guests for the use of a Hotel, any Hotel room or rooms, or any Transient Rental Property. So basically, Huron is treating their Transient Rental folks the same as they are treating hotels and motels. He thought this was fair. M. Stark agreed as these are businesses. Amy Hendricks said when this came into effect there were actually changes in the state laws. There had been



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a number of bedrooms that had qualified something as a hotel or motel that required them to pay those taxes. She thought it would be hard to determine how many rooms people had other than through the inspection process.

G. Drew thought one of the biggest hurdles would be limiting the number of these rentals, and he wasn't sure he was a big fan of this. How do you do that fairly? Huron has a whole couple pages on how they're doing that. G. Fisher said they spell it out in page four. M. Stark noted it states they allow 165 Transient Registration Occupancy Certificates on a first come first serve basis. If somebody's registration lapsed, then she wouldn't know if they would have a waiting list. G. Drew said his fear is that there is 60, 70, or maybe 100 rentals currently, and they put some sort of number on this and then by June 1 everyone has to run into city hall and register their Airbnb, and they put a cap of 65. Is this fair that the next day somebody got beat out by somebody else. M. Stark said her thoughts on limiting this – if they have 60 right now, they won't cap it at 60. Huron has 165 and she feels the reason for capping it is because they do not want to be a community that is only Airbnb's. They want this to be a community where they live and they own the houses they live in, but yet, they want to allow some because of the type of community they are. They have so many visitors in and out and a lot of the businesses thrive on this, so she thinks it is important they establish a nice number. T. Valerius said maybe once the ordinance is implemented they go the first year without a number and then after that first year they will have an idea of approximately how many they'll get, so maybe this would be their limit. M. Stark said this is a working document and they can always change it in the future as needed.

Mayor Forthofer said on the subject of occupancy, the 2020 Census indicates that Vermilion has close to 90 percent owner occupancy, so it's a very healthy sign. M. Stark said they want to keep that healthy.

P. Stein said when Bed & Breakfast came out, it was one per block – why can't this be arranged in a similar fashion so that they're not all in one area because part of the charm of Vermilion is the neighborhoods and if they have all transients in one place you may as well stay in a hotel. T. Mayle thought this was one of the biggest concerns as people do not want Vermilion to turn into Put-In-Bay. She liked the way Huron's ordinance was written and it feels like it is more complicated than it really needs to be if people would just be responsible for what they have. She saw where it had mentioned having three or more calls for service. This is why they have to do this because of those properties that are a problem. So, for those places would there be something in place where maybe they could lose their ability to keep operating if they're not going to be responsible for those properties. G. Drew said yes for sure and in the ordinance it is pretty cut and dry – the city just revokes your permit and that it is. He thought they should keep that language in the ordinance. He said if they knew the exact number of rentals it would be helpful to come up with a cap. He hates to put a cap on something when they have no idea what they're talking about. Mayor Forthofer asked if they are looking to find out how many total rentals there are. G. Drew said yes. Mayor Forthofer thought that would be tough. S. Anderson suggested starting with a cap and then if need be, increasing it because if they start with no cap and they get 100 applicants in one day, then you're faced with legislating in defense with that, which can be trickier. It's easy to increase the cap, then decrease if you have a lot of interest in this.

M. Stark said if they put this ordinance out and everybody needs to register and there are 60 within two weeks or so, the building department will be bogged down doing all the inspections, so they need to take this into consideration when they begin to implement this. She said they want to do this timely for the businesses that are wanting to get registered, but they also need to keep in mind the city's staffing and abilities.

T. Valerius noted that B. Brady had previously discussed having all the applicants attend the Board of Zoning Appeals for a Home Occupation permit. However, he did not see this being necessary since they will have an ordinance in place for transient rentals. He said Home Occupations are more for the business that is not permitted in a residential or those who do not have an ordinance in place. He said this would also burden the Board of Zoning Appeals, especially if you have 60 of these hitting all at once. They would never be able to handle all of that. B. Holmes, Pat Stein, and G. Drew all agreed with this. G. Drew said he first thought this would have been a good idea, but after additional thought it's definitely not and there is not a need for it.

B. Holmes asked T. Valerius what he thought about Huron's inspection list. T. Valerius said he noticed that electrical panel is listed, which is fine, but now they are opening up another inspector, so you would



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be looking at a building inspector going to the site and an electrical inspector, which would cost \$75.00 just for that. He said the building inspector can look for improper wires – exposed wires, etc. He said the building inspector can check to make sure there is a carbon monoxide detector and smoke detectors and can make sure there is a GFI outlet near a sink. B. Holmes asked what their building code compliance addresses. T. Valerius said this is pretty vague and a lot of these homes were built years ago, so they don't comply with the building codes present. But, they're still allowed to operate as such, so when you throw this verbiage in the ordinance it is pretty vague, so he would suggest council eliminate this. He suggested that not only should the inspector inspect the inside of the house, but also the outside of the house for not only exterior structure maintenance, but also for general garbage and debris, so he would agree with this. B. Holmes noted that handrails are mentioned in Huron's inspection list. T. Valerius said there is a specific code for handrails, height, etc. If council wants to make sure the handrails comply to today's codes, then they can do this, but chances are most of the handrails they see will be standard. If there are no handrails, then maybe they will need to install a handrail on the stairs. B. Holmes asked if there is anything about handicap accessibility – how would they tackle this, or would they even have to tackle this issue? T. Valerius did not think so. S. Anderson thought this would be a tough one from a legal standpoint because whether or not they might be grandfathered in under the ADA accessibility guidelines in terms of not necessary.

S. Anderson said it says that part of the inspection on page 7 is that they are to check for smoke detectors and carbon monoxide detectors. She wondered if they should include it to be one per bedroom or something along those lines. If there is only one smoke detector in a 2,000 square foot house would it be in accordance with safety requirements. T. Valerius said there are specifications on smoke detectors in each bedroom and out in the adjacent hallway, and one on every floor, so he thinks it should comply with this. G. Drew agreed and noted that with handrails he doesn't think they should go down this road, but he is more concerned with smoke detectors. T. Valerius said the Residential Code of Ohio requires the smoke detectors just as he mentioned.

G. Drew asked if they determine the occupancy of the rentals. He asked if it was three, plus two per bedroom. So, if you would have a two-bedroom home then you could have seven people. He asked Tony his thoughts on this. G. Fisher said some homes may have bunk beds and a queen bed in one bedroom. T. Valerius did not see a problem with it. G. Fisher said they had discussed this previously and it was noted as long as they have the capability to get in and out of a bedroom. T. Valerius agreed they would need proper egress and working smoke detectors. Council seemed comfortable with this number as listed in Huron's ordinance. G. Drew said they are not going to know how many are staying there unless there is a problem. T. Mayle said this is why it should fall back on the property owner – they need to be responsible for what is happening and if there are problems at the property, then this is when somebody will really need to do something.

G. Drew asked if council was ready to tackle the fee. M. Stark didn't think it should cost the city \$400.00 to do all the inspections if they're allowing somebody to run a business in a home. G. Drew said he was in the \$500.00 ballpark. T. Mayle said she would be okay with this too. G. Drew said they will need to hire somebody and if they keep them as a full-time employee, then they are talking salary and benefits of upwards of \$65,000 or \$70,000 for an employee. So, if you have 60 units at \$500.00, then that is only \$30,000 and it will only cover half of the employee's salary, and the city still has to come up with the other half. T. Mayle asked if a new city employee would be necessary to manage all this. T. Valerius said they only have one building inspector and in the past they always had a building inspector and a property maintenance inspector that works part time. They found out last year that the city is too busy for this size of staff because they had 27 new homes last year and building is going crazy, so they barely have enough staff to do all the inspections, let alone zoning inspections, property maintenance inspections, and now transient rental inspections. M. Stark thought if they would need to hire a person to cover this, this will not be the only thing this person would be doing – they would be doing other things too, so this doesn't have to cover their whole income, but it would cover a portion, and she is okay with it covering half. G. Drew said they also need to think about the person who is processing the paperwork and keeping track of the records in the office, and checking the auditor's page to make sure everything is in compliance, and making sure the insurance is valid and up to date, and sending out notices that renewals are going to be coming up, so it's just more than the person whose is going out to look at the unit – it will be extra work on people doing the work in the building department that he imagines who will be handling this. T. Mayle said she read in the ordinance that you do not get a notice for your annual inspection. It is the homeowner's responsibility and if it lapses, then there is a fee associated with it. S. Herron said they

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were previously at \$200.00 for the fee. T. Valerius said that included a \$100.00 annual fee. M. Stark said the Planning Commission wanted Council to revisit this fee as they didn't like it being so low. She said these are businesses and they are making money, and the city is allowing them to run businesses. S. Herron said in the nature of which relates to safety issues. M. Stark was happy with starting at the \$400.00 fee and if the administration comes back to council saying the city is losing too much money, then they can look at raising the fee at that time. T. Valerius asked if the \$400.00 would also be the renewal fee. G. Drew thought it should be the same amount every year because the same process has to happen every year – they are not skipping the inspection next year and they are checking the tax records, etc. It was noted that on page 9 of Huron's ordinance that there are regulations put in place for change of ownership or control.

M. Stark asked the law director to review Huron's ordinance along with the minutes and draft an ordinance for Vermilion. M. Stark asked T. Valerius to review the inspection report and to come up with a report he would like to see. She scheduled a work session for March 14 at 6:00 p.m. for council and the administration. G. Drew said he would like to hear what the residents say about this. M. Stark said the audience can be heard once they get a final draft. G. Fisher said once council comes up with a final draft, then it will go before the Planning Commission, and they would need to hold a public hearing. S. Anderson wasn't sure if Council could initiate it itself, but she would look into this. M. Stark pointed out they are not looking to exempt Linwood, but they would like to add them into the numbers, so whatever number they come up with, they don't include their numbers or squash what they have been doing for years. However, they would need to pay their fees and get inspections performed.

B. Holmes said Huron mentioned the agent or person in charge – means any individual, person, firm, partnership, corporation, or company acting on behalf of the property owner of the resident of the rental. He did not know if the agent has to be sixty (60) minutes away. T. Mayle said it just means there should be somebody. M. Stark said it may be so far and between where they have an issue like this, so it should not be a problem. B. Holmes said as far as complaints, they may have had a handful of them. He thinks the majority of these people who rent these houses are good people, so they will respectfully have a good time, so they need to consider this.

### Next meeting:

A work session has been scheduled for March 14, 2022 at 6:00 p.m. for City Council and the Administration.

### Adjournment:

M. Stark adjourned the Vermilion City Council Work Session upon no further discussion.

Transcribed by: Gwen Fisher, Certified Municipal Clerk