

Draft

Planning and Zoning Board

Minutes

Thursday, August 17, 2017

5:30 p.m.

The Blowing Rock Planning and Zoning Board met on Thursday, August 17, 2017 for their regularly scheduled meeting. Chairman Harwood called the meeting to order at 5:30 pm. Members present were Joe Papa, Kim Hartley, Mike Page, Genie Starnes, Wes Carter and George Ellis. Members absent were Natalie Bovino, and Don Hubble. Staff members present were Town Manager Ed Evans and Planning & Zoning Support Specialist Tammy Bentley.

Chairman Harwood asked if there were any changes to the agenda. There were none. *Mr. Carter made a motion to accept the agenda order, seconded by Ms. Hartley. **All members were in favor of the motion.***

Chairman Harwood asked if there were any changes to the June 15, 2017 meeting minutes. There were none. *Ms. Starnes made a motion to approve the minutes. The motion was seconded by Mr. Page. **All members were in favor of the motion.***

1. Rezoning 2017-01 – R & R Builders – Short-term rental overlay district

Mr. Evans gave the staff report and Powerpoint presentation. R & R Builders is requesting an overlay district rezoning for a Short-Term Rental Overlay District (STR). The properties are located at 486 and 488 Ransom Street, both zoned R-6M, Multi-family. The property will maintain a base zoning district of R-6M and the overlay district, if approved, would allow short-term rental. The property consists of two duplex buildings (4 total units) and were recently constructed through a conditional use permit issued in 2015.

The R-6M zoning district does not automatically permit short-term rentals unless a property is grandfathered like Chetola Resort. However, the Short-Term Rental Overlay District could be applied to property in the R-6m or R-10M zoning districts. Royal Oaks Condominium is the only property with the Short-Term Overlay District applied.

Short-Term Rental Overlay Districts require that the property be a multi-family residential complex with a homeowner's association with the authority to regulate short-rentals within the complex.

Mr. Scott MacIntosh, listing agent for the property, spoke for the applicant. He said he has been involved with this project since inception and that R&R Builders has built many

upscale properties. Mr. MacIntosh said that short-term rentals were not addressed initially, but that there have been constant requests for this use. He added that not by not allowing more short-term rentals, that the Town is missing a key demographic. Mr. MacIntosh said that these units were beautifully built and buffered from the neighbors.

Mr. Ellis wanted to share the stipulations for the SRT Overlay District. Chairman Harwood asked him to share these immediately after the public comment period begins.

Chairman Harwood asked if any units were sold. Mr. MacIntosh said that none were sold, but eventually there will be 4 owners. Chairman Harwood asked if there was one owner now. Mr. MacIntosh confirmed; that Mr. and Mrs. Rick Riddle own all the units.

Chairman Harwood asked if there is a property owners' association. Mr. MacIntosh confirmed and added that the fees are \$225 per month.

Chairman Harwood asked Mr. MacIntosh if he had conversations with adjoining property owners. Mr. MacIntosh said he had not, but Mr. Riddle had and two of the four neighbors are fine with the request.

Mr. Ellis asked if a tentative POA rule to deal with STR had been developed. Mr. MacIntosh said no, but that will happen if this change is approved.

Mr. Carter asked if there is anything unique about this property. Mr. MacIntosh said there are a lot of stairs, and this access attracts a different demographic.

Chairman Harwood asked if this request is to increase the marketability of the property. Mr. MacIntosh confirmed and added that through his association with the Blowing Rock Civic Association, one goal is to get more people in town and to have property values increase.

Chairman Harwood opened the meeting to public comment.

Mr. Ellis read the Short-Term Rental Overlay District ordinance. Mr. Ellis asked Mr. Evans to define 'immediate proximity' in number 4. Mr. Evans replied within a short proximity. Mr. Ellis said he finds this vague and asked who could speak to this. Mr. Evans responded those who have standing.

Mr. Page noted that a 150 foot buffer notice is required. Ms. Hartley asked Ms. Bentley the number of notices sent. Ms. Bentley responded 15 to 21.

Ms. Betsy Wilcox asked if we heard from anyone in the 150 foot buffer. Ms. Bentley responded no. Mr. Mike Quinto said he received notice.

Mr. Charlie Sellers, of 137 Hilltop Way, asked if this is spot zoning and how will this affect property values.

Mr. Mike Quinto is a resident of Ransom Street and a partner in developing 3 lots on Ransom Street. Mr. Quinto said he had put much thought and research in property

values on Ransom Street. He said that sidewalks, gutters, and storm drains would more greatly impact the property values on Ransom Street and that Ransom Street is underserved by infrastructure. He said that Outside Magazine had an article on short-term rentals ruining a mountain town. He referenced a long-term cottage on Ransom Street, once owned by Sonny & Lavonne Klutz, that currently rents for \$800 monthly and should this property become a short-term rental the current owner could realize \$800 per week, thereby pricing long-term tenants out of the rental market. Mr. Quinto said that he is thankful for both long-term and short-term residents. He said that short-term rentals are happening on Ransom Street now and that if this request is not allowed, then enforcement needs to be consistent for all property owners.

Ms. Betsy Wilcox said she had read the article in Outside Magazine and that short-term rentals ran the poor and middle-class out, and that investors came in.

Ms. Virginia Powell asked how we track occupancy tax, Airbnb, etc. Mr. Evans replied that it is impossible to police and we hope neighbors report violators. He added that there are probably short-term rentals operating 'under the radar'.

Ms. Sue Sweeting, of 674 Chestnut Drive, said houses in her area are being rented on a short-term basis; and added that a one-month rental is legal. Ms. Sweeting said that Kevin Rothrock, Zoning Administrator, told her that one rental within a 28 day period is ok.

Mr. John Aldridge stated that it has been said that short-term rentals increase property values for the properties that are being rented on a short-term basis, but that surrounding property values go down.

Mr. David Rogers asked if Airbnb is paying every municipality and state occupancy taxes. Mr. Evans confirmed.

Ms. Bentley clarified that occupancy tax is due on any rental of less than 90 days and that the Land Use Code defines short-term rental as less than 28 days.

Mr. Charlie Sellers said he grew up here and he likes some change, but not all change. He asked if Vacation Rental By Owner (VRBO) rentals were less than 30 days, and how can that be policed. He also said that these rentals should also be required to pay occupancy tax.

Mr. Quinto, referencing the Outside Magazine article, said that it is important not to let the pendulum swing too far to either side. He said that Ransom Street is the Blowing Rock ghetto, but it is being gentrified. Mr. Quinto said that he likes this process, but would like for short-term rental enforcement to be consistent. He added that short-term rentals should not be allowed in single-family neighborhoods.

Mr. Ellis asked Mr. Quinto if short-term rental at Royal Oak Condos were an issue in deciding to develop property on Ransom Street. Mr. Quinto said that the HUD housing across the street was more of a factor. He added that he would like to see more year-

round people in the community every year. He also said that while Ransom Street has issues, allowing short-term rentals for these 4 units won't hurt, but will help Ransom Street.

Ms. Starnes asked if this is something he would consider for his development. Mr. Quinto said that he travels for work and lets his friends use his house on Ransom Street at no charge. He said that Mr. Goulds had 2 long-term rental properties on Ransom Street, and if they were short-term rentals, the new owners could make more money. Ms. Starnes asked Mr. Quinto if he had ever reported any violators on Ransom Street. Mr. Quinto said no and added that Mr. and Mrs. Hege rented their property on a short-term basis. Ms. Bentley responded that she had contacted Mr. Hege and he said the property was rented on a monthly basis.

Mr. Evans and Ms. Bentley reiterated the ordinance requirements. Mr. Evans re-read item number 3.

Mr. Page said that part of the point is that single family owners are breaching the ordinance and that is important to discuss, but maybe not here.

Mr. Evans said the ordinance is enforced, but the complaint usually comes from someone who has been offended by a short-term rental. Ms. Starnes asked if citizens are doing anything about violators. Mr. Page said these are two separate issues and we are only looking at Mr. Riddle's properties tonight.

Chairman Harwood noted that this is not a referendum on short-term rentals, but the information is helpful.

Mr. Riddle told the Board that he appreciates their time and comments made.

*Mr. Page made a motion to close the public comment. The motion was seconded by Mr. Ellis. **All members were in favor of the motion.***

Mr. Papa said he thinks we will see more and more of this 'shadow zoning thing'. He said he thinks the minimum rental should be 7 days and it be mandatory that the property owner uses a local management agency to ensure better enforcement. Chairman Harwood said the Board need to concentrate on this request, but that Mr. Papa's suggestion should go before the Town Council. Mr. Papa said he wants this decided now. Mr. Page noted that Mr. Papa's suggestion must go before the Town Council to be approved.

Mr. Ellis said this comes down to Ransom Street and people who want to make money on their property. He imagines Ransom Street with sidewalks and that residents have really taken pride in Ransom Street. Mr. Ellis noted that no neighbors were in attendance.

Mr. Carter said that there is a huge difference in Ransom Street now and that people like living in town. He said he thinks Ransom Street should stay residential and not have short-term rentals.

Ms. Hartley said that when this project was first proposed the developer indicated he was trying to keep the price below \$500,000 to attract long-term young professionals. Chairman Harwood said that Ms. Hartley had made a good point and added that item #6 regarding buffer reduction concerned him. He said that a buffer reduction was granted with the CUP for the project was approved.

Chairman Harwood said he had spent much time reviewing this; that this is a town built on tourism and that the Comprehensive Plan indicates a need for alternative housing. Chairman Harwood said he thinks this is a test and added that he also thinks this is a textbook case of spot zoning. He added that this meets many criteria for spot zoning including that adjoining properties are zoned R 6-M and there is a single property owner. Chairman Harwood said that there is no benefit to the Town or neighbors and that he recommends that the request be denied.

*Mr. Page made a motion to not approve the Short-Term Rental Overlay District. The motion was seconded by Ms. Starnes. **All members were in favor of the motion.***

Recess

Destination By Design made a presentation of the Sunset Drive Streetscape and Gateway projects to Planning Board and members of the Blowing Rock Appearance Advisory Committee. Following the presentation there were two break-out sessions; one for the Streetscape project and one for the Gateway project to elicit feedback from these Board members.

Chairman Harwood thanked Teresa Buckwalter and her team for the presentation and complimented them on the quality of their work. Ms. Buckwalter said they will factor the feedback received into the next design of these projects. She added that this will be available to the public on their website in the next two weeks.

*Mr. Ellis made a motion to adjourn the meeting, seconded by Ms. Starnes. **All members were in favor of the motion.***

Chairman Harwood adjourned the meeting at 8:25 pm.

Chairman David Harwood

Tammy Bentley
Planning & Zoning Support Specialist