

**MINUTES OF MORGAN CITY
COUNCIL AND PLANNING
COMMISSION JOINT WORK
MEETING**

AUGUST 22, 2023; 5:30 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

Mayor Steve Gale, Tony London, Eric Turner, Jeffery Richins, Jeff Wardell and Dave Alexander

**PLANNING COMMISSION
MEMBERS PRESENT:**

Nate McClellan, Chair, Erin Bott, Justin Rees, Ray Little, and Mark Francis

**PLANNING COMMISSION
MEMBERS PRESENT
ELECTRONICALLY:**

Lance Prescott

STAFF PRESENT:

Ty Bailey, City Manager; Gary Crane, City Attorney; Jake Young, CitiDesign, City Planner; Denise Woods, City Recorder; Teresa Shope, Planning Secretary; and Stephanie and Row Howard

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah. The meeting was streamed live on YouTube and available for viewing on the City's website – morgancityut.org.

This meeting was called to order by Mayor, Steve Gale.

ITEMS FOR DISCUSSION

Jake Young, CitiDesign, City Planner, gave a presentation regarding short term rentals. He stated there were basically three options for short-term rentals within the City:

Option A was to continue as the City currently was by not doing anything to regulate short term rentals;

Option B could be an ordinance which regulated short term rentals and allowed them; and

Option C could be an ordinance which regulated short-term rentals by not allowing them within the City.

Jake said the definition in State Code for short term rentals meant a residential unit or any portion of a residential unit that the owner of record or the lessee of the residential unit offers for occupancy for fewer than 30 consecutive days. (U.C.A. § 17-50-338)

Row Howard asked what the difference was between a short-term rental and a boarding house according to State Code. He said he thought a boarding house would be a home which were renting rooms or space within the house.

Jake explained a boarding house would be a short-term rental if it was less than 30 consecutive days. He said Utah State law didn't allow cities to prohibit advertising of short-term rentals. Current State law

allowed cities to permit, not permit, or regulate short-term rentals. He clarified if a complaint was received then the City could address the issue, but the City couldn't regulate them because they were advertised through Vrbo or Airbnb.

Gary Crane, City Attorney, mentioned Option A, which was pointed out earlier and said that a lot of cities weren't doing anything about short-term rentals right now since they weren't a big enough problem. He said the City could regulate them through the nuisance/noise ordinance, i.e., parking in front of mailboxes, parking on street during the winter months, noise from a party, etc.

Councilmember Wardell arrived at 6:05 p.m.

A poll was taken and the negatives and positives for short-term rentals were listed on the screen.

Jake said one negative not listed was short-term rentals took housing stock out of long-term housing for rental and purchase. He mentioned the City could collect Transient Room Tax (TRT) from the short-term rentals through Airbnb, Vrbo, etc.

Gary asked if there was a reason to regulate short-term rentals. He mentioned the cost of regulating and enforcing the ordinance.

Discussion regarding Garden City's ordinance, the cost of enforcing the ordinance, and the business licensing costs collected from the owner of the short-term rental.

Ty mentioned the City was currently collecting TRT from the hotel, Airbnb, Vrbo, and several others.

Justin Rees, Planning Commission Member, explained he owned an Airbnb (not in Morgan) and there was self-regulation through Airbnb because it was required that the property be maintained so neighbors didn't complain, and a lot of work went into the rental so the owner could keep a good rating. He explained if a neighbor called Airbnb with a complaint Airbnb called the owner and informed them. He said to attract people to stay at your short-term rental required substantial work on the part of the owner. He suggested the City be careful in adding complexity to regulating the rental when it wasn't necessary.

Ty Bailey, City Manager, stated he viewed everything the City did as a service. He explained the City could recognize the issue and by permitting it the City gave the owner the path forward to be able to do it appropriately. It also allowed the City to know how many were within the City and the information of who to call if there was a complaint.

Jake said that approach gave the City the opportunity to educate those who were choosing to do it through the business license process as a permitted service.

Gary stated short-term rentals were not exempt from having a business license.

Jake provided a list of policies Staff recommended if short-term rentals were recommended by the Council.

- Allow short-term rentals wherever residential use is permitted, not by zone. Permitted use not a conditional use.
- Require inspection of the rental unit by the Building Inspector and Fire Marshal for safety – Yearly, biannually, but initially once.
- Property management or owner 15-20 minutes away from the property and available 24/7.
- Occupancy – 2 per room plus an extra 2-4 in unit – Maximum occupancy 14-16 people.
- Parking – 1 car per 4 people – No on-street parking allowed or 1 car per bedroom.

- Noise/Nuisance ordinance.
- Garbage/Sanitary conditions – Possibly require two cans at a rental?
- Require site plan for unit layout and parking.
- State use: Short-term, long-term, ADU, Bed & Breakfast, Room Rentals/Boarding Rooms.
- Also define each of the above.
- Business License – Request a copy of the rental agreement. Show no subletting, time frames for rentals, following City ordinances.
- Rentals will be regulated through code enforcement – Noncompliance or nonpayment of fines will result in revocation of a rental license.

Row Howard stated the City Code currently didn't allow boarding or rooming houses in any of the zones except for A (Agriculture) and RM-15 (Multi-family residential) and it was a conditional use in both zones.

Gary said the definition of a boarding house was the renting out of rooms.

Discussion regarding enforcement of the short-term rentals. Each complaint wouldn't result in a notice being sent out. It would take several complaints before a notice of violation would be sent and a fine imposed. The notices of violation could be sent by certified mail to the property owner. Row stated he didn't foresee an issue with the short-term rentals through Airbnb and Vrbo, but it was the short-term rentals on KSL, Craig's List, etc., which were an issue and he currently had one which he had received numerous complaints. Discussed amending the City's nuisance and business license ordinances and make them more stringent to allow for effective code enforcement. Gary said identifying the problem was the first step and then the City's ordinances could be amended to allow for enforcement regarding short-term rentals.

Ty mentioned the benefit of requiring a business license for short-term rentals because then the City could provide the information to the County Assessor and the property tax on that home would be adjusted to 100%. If it was a long-term rental (over 6 months) the owner would qualify for the residential property tax exemption and only pay 55% property taxes on the property. He said there would always be a few who would cause issues regardless of any regulations the City imposed.

Justin said a lot of positive things could come from permitting short-term rentals. He said there would be the outliers and things the City would have to deal with but overall, it was a good thing for the City. He said when he vacationed, he looked to stay in an Airbnb. He said they promoted the type of visitors to come and stay in the City

Discussion regarding the current situation within the City and the need to tighten up the City's nuisance and parking ordinance. Ty mentioned he would work with Row and bring back a proposal to the Council of amendments to the City Code. Row stated changing the timeframe on code enforcement issues would be very helpful.

Consensus of the Council was to work on amending the nuisance and business license ordinances to regulate the short-term rentals and provide for effective code enforcement. Suggestion was made to mirror the County's process regarding a business license.


DISCUSSION – MIXED RESIDENTIAL OVERLAY (MRO) ZONE

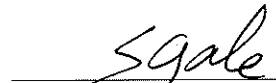
This item was not discussed. It will be discussed during the general meeting.

TRAINING – GARY CRANE, CITY ATTORNEY

No training provided.

This meeting was adjourned at 6:53 p.m.


Denise Woods, City Recorder


Steve Gale, Mayor

These minutes were approved at the October 10, 2023 meeting.