

**TOWN COUNCIL WORK SESSION  
STAFF MEMO  
OCTOBER 5, 2021 COUNCIL WORK SESSION**

**DATE:** October 1, 2021

**AGENDA ITEM NUMBER:** 6

**TOPIC** Short Term Rental Discussion – Fees, Occupancy, Application Changes

**BACKGROUND/TIME FRAME:**

- Dillon Town Council and the other communities are concerned about the lack of workforce housing and the costs to rent long term.
- Dillon Planning and Zoning Commission has requested joint work sessions with Council with the first topic short term rentals.
- At the September 21 work session, Council directed staff to set aside one hour per work session to discuss short term rental issues, obtain public feedback and determine direction.

**SUMMARY:** Below is a list of issues related to short term rentals and the proposed dates to discuss at future work sessions: October 19

- Fines (amends Chapter 6)
- Parking Fees/Requirements (amends Chapter 6)
- Inspection (already in Chapter 6 – should we do them)

November 2

- Discussion on whether STR caps make sense for Dillon and how they would work?
- (amends Chapter 6)

November 16

- Excise Tax for Lodging (ballot question)

At this work session, Staff would like to discuss fee changes, occupancy requirements and application changes.

**FEE CHANGES**

The Town currently assesses \$50 per short term rental license. Fees are set to cover costs associated with providing the service. In order to cover town staff time, third party compliance contract and third-party hotline contract, staff would recommend a fee of \$250 per year per short term rental license. Below is a comparison to our neighboring communities:

Breckenridge – requires a business and occupational tax fee and administrative fee

- Studio \$100
- One Bedroom \$130
- Two Bedroom \$160
- Three Bedroom \$250
- Four or more Bedrooms \$325

Frisco - \$250 application fee

## Silverthorne

- Studio \$100
- One Bedroom \$150
- Two Bedroom \$200
- Three Bedroom \$250
- Four or more Bedrooms \$300

Silverthorne is working on an increase with their Council.

Summit County – new STR application fee is \$150 and renewal fee is \$75

## OCCUPANCY

The Town currently does not have occupancy limits for our short-term rentals. Below is a comparison of how our neighboring communities handle occupancy limits.

Breckenridge – maximum of 2 occupants per bedroom plus 4 additional occupants

Frisco – maximum of 2 occupants per bedroom plus 4 additional occupants

Silverthorne – maximum of 2 occupants per bedroom plus 2 additional occupants

Summit County –

- Single family, duplex and townhome units: a) two (2) persons per bedroom plus four (4) additional occupants; OR b) 1 person per 200 square feet of living area, whichever allows for a greater occupancy.
- Condominium units: a) two (2) persons per bedroom plus four (4) additional occupants, or two (2) persons per bedroom plus two (2) additional occupants in buildings with interior egress components less than 44 inches wide and without a sprinkler system; OR b) 1 person per 200 square feet of living area, whichever allows for a greater occupancy. When a condominium unit contains a County-approved lock-off room that meets the definition of a lock-off room set forth in Chapter 15 of the Development Code, the lock-off room shall be allowed a total of 4 occupants.
- For the purposes of these regulations, a loft which meets the Summit County Building Department requirements for a potential sleeping room shall be allowed 2 occupants.

Occupancy limits can assist with noise complaints and parking issues by reducing the number of guests. Occupancy limits are typically enforced through matching advertisements with County assessor data and/or complaints that show the renters have exceeded the limits.

## APPLICATION CHANGES

Staff would like to consider requiring additional information on the application. The changes recommended include:

- Rental of Whole Unit
- Rental of Partial Unit - what is the set up for bedrooms and bathrooms rented
- Number of Bedrooms in property
- Number of Bathrooms in property
- Number of anticipated nights of rental
- Average nightly rental rate

There may be other application changes as discussions continues.

**BUDGET IMPACT:** N/A

**QUESTIONS:**

- Is Council comfortable with the recommended fee changes in Chapter 19? The fee changes would need to be approved by Ordinance.
- Is Council ready to move forward with an ordinance to amend the fees in Chapter 19?
- How would Council like to proceed on occupancy limits? This will require an amendment to Chapter 6, Short Term Rental Licenses. There are other potential changes to Chapter 6, so staff would recommend considering all changes to Chapter 6 at the end of the work session discussions.

**DEPARTMENT HEAD RESPONSIBLE:** Nathan Johnson, Town Manager