

AGENDA
SHORT TERM RENTAL IMPACT COMMITTEE
TUESDAY, OCTOBER 10, 2023
10:00 AM

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
 - A. September 26, 2023**
- 3. NEW BUSINESS**
 - A. Deliverables - Short-Term Rental Impact Committee Report to the City Council**
 - Purpose Section**
 - Background Section**
 - Economic Benefit Section**
 - Residential Impact Section**
- 4. PUBLIC COMMENTS**
- 5. NEXT MEETING DATE: Tuesday, October 24, 2023**
- 6. PUBLIC COMMENTS (Comments from the public on any matters considered at the meeting, or on any matters not on the agenda)**

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**MINUTES
SHORT TERM RENTAL
IMPACT COMMITTEE MEETING
SEPTEMBER 26, 2023 – 10:00 AM
CITY HALL BOARDROOM**

1. CALL TO ORDER:

The Short-Term Rental Impact Committee met in regular session with the following members and City staff present:

2. ROLL CALL:

Members Present

Marcie Bell
Denise Owens
Casey Gates Ward (arrived: 10:35 AM)
Carrie Harbarger (arrived: 10:15 AM)
Ken Wampler
Patti Brown (via teleconference)

Staff Present

Rey Bailey, City Clerk
Troy Williams, Code Compliance Director
Kimberly Kopp, City Attorney

Visitors

Councilmember Torey Geile
Guy Tadlock - Resident
Alice Tadlock – Resident
Charles Doubleday – Resident
Michael Stafford - Resident

3. APPROVAL OF MINUTES:

- A. September 5, 2023
- B. August 22, 2023
- C. August 8, 2023

The committee unanimously approved the above sets of minutes.

4. NEW BUSINESS

- A. Deliverable of Short-Term Rental Impact Committee – Final Report to Council

The committee discussed the following draft sections of their final report to council.

- Purpose Section
- Background Section
- Economic Benefit Section
- Residential Impacts Section

(1) Purpose Section (Draft) – Provided by City Attorney Kimberly Kopp

On March 6, 2023, the City Council passed Resolution 23-04, which established the Short-Term Rental Impacts Committee (“**Committee**”), whose sole purpose is fact-finding. Specifically, Resolution 23-04 expressly states that the “Committee will gather facts relating to the impacts of existing short-term rentals in residential areas within the City of Destin and provide a report setting forth such facts and findings to the City Council (“**Report**”). This Committee shall not be responsible for making recommendations to the City Council with respect to additional or modified City regulations. However, upon completion of the Report, the City Council may forward findings of the Committee to legislators of the State of Florida, the Florida League of Cities, and/or other appropriate entities involved with State regulation.”

Additionally, as a basis for this fact-finding mission, the resolution set forth several legislative findings. While the City Council recognizes that short-term rentals provide significant positive economic impacts, there is also a significant downside to the local residents. This is largely because a short-term rental often resembles a hotel or motel more than a typical single-family home. The City Council recognized the following:

- A home is typically the largest investment a family will make in their lifetime, with the home held sacred in popular culture as the heart and the center of the family unit.
- Local governments apply design standards tailored for residential neighborhoods for their roads, driveways, parking areas, emergency services planning, public shelters, emergency evacuation plans, solid waste collection, utilities, buffers, and are also tailored in assessing their infrastructure impacts.
- Traditional lodging establishments (hotels, motels and bed and breakfasts) are restricted to non-residentially zoned areas where more intense uses are separated from less busy and quieter residential uses.
- The presence of short-term vacation rentals in established residential neighborhoods can create compatibility impacts, among which may include, but are not limited to, excessive noise, on-street parking, accumulation of trash, and diminished public safety.
- Some short-term vacation rental owners will make investments in upgrading building safety measures of their rental properties whereas other owners will not make such investments.
- Over the past several years, short-term vacation rentals have increased in popularity, and it is estimated that there are over 600 short term rentals in the City of Destin, as advertised on various websites.
- Some short-term vacation rental owners have now begun advertising their single and multi-family residential properties as destinations for events such as weddings, reunions, and other celebrations that attract large crowds in residential neighborhoods creating noise, traffic, and parking problems.

- The City of Destin promotes tourism, including appreciation and enjoyment of the City’s abundant preserved natural areas, pristine beaches, and walking and bicycling paths that make the City of Destin unique among Florida's coastal municipalities.
- Many local jurisdictions in the State of Florida including the City of Destin, and other local governments across the nation, have standards in place to minimize the impacts caused by short-term vacation rentals.
- The City desires to encourage short-term vacation rentals that are safe, fit in with the character of the neighborhood, provide positive impacts for tourism, increase property values, and achieve greater neighborhood compatibility.
- The City seeks to balance respect for private property rights and incompatibility concerns between the investors/short-term vacation rentals and families/permanent single and multi-family residences in established residential neighborhoods using reasonable development standards.
- The City Council desires to create a fact-finding committee for the purpose of describing actual and ongoing impacts from short-term rentals in residential areas located within the City of Destin.



(2) Background Section (Draft) – Provided by Committee Chair Patti Brown

The explosive growth of short-term rental (STR) properties in the Destin Florida area prompted concerned residents in 2017 to engage with the City of Destin to protect single family residential neighborhoods from collateral impacts such as over occupancy, excessive noise, illegal parking, commercial activities, and illegal STR units that fail to register/pay required taxes. In response to the residents’ request, the City of Destin established in November of 2017 a diverse Short Term Rental Task Force comprised (STRTF) comprised of both residents and businesses involved in the marketing/management of short-term rental properties in the Destin area.

It should be noted, Per Article 7 of the City of Destin Land Development Code passed on XXXX (need the date), short-term rentals were restricted to the following zones:

- Bay Resort Mixed Use (BRMU)
- Crystal Beach Resort (CBR)
- Calhoun Mixed Use (CMU)
- Gulf Resort Mixed Use (GRMU)
- Holiday Isle Mixed Use (HIMU)
- North Harbor Mixed Use (NHMU)
- Residential, Office, Institutional General Development (ROI-GD)
- Residential, Office, Institutional Tourist Development (ROI-TD)
- South Harbor Mixed Use (SHMU)
- Crystal Beach Neighborhood (CBN)
- Low Density Residential– Holiday Isle (LDR-HI)
- Medium Density Residential– Holiday Isle (MDR-HI)
- High Density Residential– Holiday Isle (HDR-HI)

On 01/03/2018 a pivotal public meeting was held with the Destin City Council to review and share the Short-Term Rental Task Force (STRTF) recommendations. The key points and concerns discussed regarding short term rentals include:

- Occupancy limits - The task force debated and voted to recommend a maximum occupancy standard of 2 people per bedroom plus 2 additional people, not counting children under 14. This was opposed by some rental owners who felt it was too restrictive.
- Commercial activity - Illegal commercial activities like large weddings occurring at rental homes in residential areas was a concern. The city attorney advised that these actions violate city codes. The task force discussed cracking down on properties advertising as wedding venues.
- Parking - Requiring parking spaces and maximum occupancy be posted on signs in front of rental properties was recommended.
 - Enforcement - Having enough code enforcement, especially after hours, to monitor and cite violators was noted as an issue. Deputizing part-time staff was suggested.
 - Safety - Older homes converted to short-term rentals may not meet hotel safety standards. Inspections were proposed to catch illegal conversions of spaces.
 - Registration - Requiring updated floor plans be submitted annually to compare against original plans was recommended to identify illegal buildouts.
 - Advertising - False advertising about allowable activities was a concern. It was suggested violations occur if ads conflict with registered information.
 - Insurance - Requiring short-term rentals to add the city as an additional insured party was recommended.

Although not all recommendations were accepted by the Destin City Council, it did eventually approve the Short-Term Rental Ordinance No. 18-29-CC in 2019. In summary, the ordinance establishes clear occupancy restrictions for short term rentals in Destin based on bedrooms and parking, with options to maintain prior higher limits if legally established.

Below is a summary of the key rules and regulations covered in Destin City Ordinance No. 18-29-CC:

Occupancy Limits

- Maximum overnight occupancy is the lesser of: 2 people per bedroom plus 4 additional people, or a total of 24 people.
- Occupancy must be posted on a sign outside the rental property.
- Overnight limits cannot be exceeded from 10pm to 7am.

Registration and Reporting

- Short-term rentals must be registered annually and update occupancy limits.
- A local responsible party must be designated and available 24/7.
- Rentals must comply with all city codes and regulations.

Advertising

- All marketing must list the occupancy limits and maximum parking.
- Advertising occupancy higher than allowed is prima facie evidence of a violation.

Rental Agreements

- Must contain occupancy limit, number of vehicles allowed based on parking, notice to evacuate if ordered, and city regulations.

Grandfathering

- Option to apply for 5-year grandfathering of prior higher occupancy limits if verifiable proof is provided.
- False information can incur fines.
- Limits of 24 or less don't require grandfathering.

Enforcement

- The local responsible party and owner can be cited for violations.
- Penalties include fines and potential loss of rental registration.

In addition, the ordinance makes it clear that it is the rental agency and/or the homeowner's responsibility to inform all seasonal residents prior to occupancy of the single-family dwelling unit of applicable City of Destin ordinances concerning noise, vehicle parking, garbage, and common area usage.

While the new STR ordinance helped to combat the illegal STR units and the overcrowding of STR homes in single family residential neighborhoods, it is a constant battle to make renters aware of the rules and follow-up with timely code enforcement.

A second STR Task Force was established on 5/20/19 and chartered with making more recommendations that were presented to the City Council on 12/2/2019 regarding additional ordinances for STR units; however, the recommendations were never put to a vote by the Destin City Council. A third STR committee was convened in 2023 to assess the impacts of STR units and is currently in process.



(3) Economic Benefits Section (Draft) – Provided by Committee Member Ken Wampler

On March 6, 2023, the City Council passed Resolution 23-04, which established the Short-Term Rental Impacts Committee (“**Committee**”), whose sole purpose is fact-finding. Specifically, Resolution 23-04 expressly states that the “Committee will gather facts relating to the impacts of existing short-term rentals in residential areas within the City of Destin and provide a report setting forth such facts and findings to the City Council (“**Report**”). The Committee recognized the following pros to the community from Short Term Rental Occupancy:

Direct benefits for local residents

- Provides a critical positive impact for local businesses that would not otherwise be financially viable.
- Provides for employment of local residents in the lodging, hospitality and food beverage industry.
- Generates sales tax back to the municipality.
- One of the top two economic businesses in the area.
- Provides for increased real estate values (residential and business).
- Provides additional ad valorem and property taxes.
- Provides access to expanded entertainment for the locals.
- Provides funding for beach front property acquisition.
- Provides for funding of beach access points.
- Provides much needed funding for beach renourishment restoration.
- Provides funding for waterway dredging needs.
- Provides funding for beach cleaning.
- Provides funding for lifeguards along the City beaches
- Provides funding for Sea Turtle nesting survey/monitoring.
- Provides funding for preservation and protection of natural resources.
- Provides funding for local law enforcement services within the City.
- Provides funding for critical artificial reef program to sustain and improve the fishing fleet.
- Allows for families to visit the area all staying in one home or condominium versus multiple hotel rooms.
- Provided funding for June Decker Park construction.
- Provides funding for city park maintenance.
- Provides funding for the local History & Fishing Museum.
- Provides funding for Festivals and Fishing Rodeos.
- Provides funding for the Harbor CRA.
- Provides funding for Crab Island Corridor.
- Provides funding for the Chamber of Commerce.
- Provides funding for local event advertising.
- Provides the City with funding through the Short-term registration process for code enforcement.
- Provides funding for roadway improvements (Cross Town Connector, Highway 98 expansion).
- Provides a means by which individuals can afford a retirement home in advance of retiring to the area.

- In-direct benefits to local residents
- Increased convenient and expanded variety of shopping, dining and entertainment options (Whole Foods, Fresh Market, Cracker Barrel, Multiple Grocery Stores (Typical Area with the full-time resident base as Destin, would not have the quantity or variety of options)
- STR owners pay more in property taxes since they are not able to file homestead.
- Off-sets the cost for City Code Enforcement expenses for local residences and businesses
- Subsidizes the cost for lifeguard expenses for local residents.
- Subsidizes the cost for beach renourishment so local residents do not have to bear 100% of the cost.
- Subsidizes the cost of public safety.
- Increased demand for service industry workers (Cleaners, Handyman, pool cleaning, landscape maintenance, guest services, property managers, inspectors) therefore the hospitality working residents and paid higher wages.
- Frequent home/condominium fixture and furnishings upgrades that equates to more income for businesses the provide those services.
- Frequent home/condominium upgrades/renovations that equates to more businesses that provide interior renovation/reconstruction services.
- Higher demand for tradesmen (HVAC, Electrical, Plumbing) which allows for more options on an annual basis.

The question is how the community can work together to address problems caused and created by all those who live, work, or visit this beautiful area. There will always be the need for code enforcement, infrastructure improvements, public safety, beach renourishment, and businesses, so how can we improve the experience for all without significantly increasing property taxes.

DISCUSSIONS:

Mrs. Alice Tadlock commented that the benefits listed above are not directly impacting all residents or all of the residential areas. They seem to imply that residents will not have all these benefits without the short-term rentals.

There was a recommendation to add a disclaimer in this section that some residents expressed that not all listed benefits impact them directly.

Committee member Marcie Bell noted this should be about impacts to people who live with short-term rentals. However, they need to acknowledge that because of any rental – hotel, motel, condominiums, townhomes, or homes in residential neighborhoods – there is an obvious economic benefit to the community because they are a city that runs on tourism.

There was a suggestion to delineate the funding source.

Ms. Bell noted that TDC funding is not subject to just short-term rentals in residential neighborhoods, but they also come from hotels, motels, and condominiums.

The City Attorney suggests that instead of saying that the following list of items provide “direct benefits for residents” or “provide funding for residents”, they could change the heading to read “provide partial funding for” and then list the appropriate items following that heading; and then they could still add the other disclaimer about impacts on individual residents.

Committee Chair Patti Brown commented that the above list of benefits makes it look like short-term rentals are a huge benefit to residents and ideal in Destin; adding that residential neighborhoods that have a lot of short-term rentals do not feel that way at all. She continued that they need some clarifications as to what the benefits are financially.

Mr. Wampler will modify the list to address more specifics with regard to the funding and put in some more qualifications to it that those benefits do not affect all residents and will send the document back to the committee for another review.



(4) Residential Impacts Section (Draft) – Provided by Committee Member Marcie Bell

It is imperative for anyone reading this section of the report to understand completely that while we can all agree there are many economic benefits to ‘tourism’ in Destin, the overall detriment to the community as a whole, and most notably the residentially zoned areas of Destin far outweigh the benefits when it comes to the health, safety and quality of life of the very residents who call Destin, “Home.”

Definitions as defined by Merriam-Webster Dictionary:

Impact is a noun defined as : the force of impression of one thing on another : a significant or major effect

Note: impacts cause stress to residents and the community as a whole

Nuisance is a noun defined as : HARM, INJURY : one that is annoying, unpleasant, or obnoxious

***Note: a public nuisance is defined by the Oxford Language as “an act, condition, or thing that is illegal because it interferes with the rights of the public generally.”

Stress is a noun defined as : constraining force or influence: such as : a physical, chemical, or emotional factor that causes bodily or mental tension and may be a factor in disease causation : a state resulting from a stress especially : one of bodily or mental tension resulting from factors that tend to alter an existent equilibrium

Stress is also a verb (transitive) defined as : to subject to physical or psychological stress

Home is a noun defined as : one's place of *residence*

Residential is an adjective defined as
: used as a *residence* or by *residents* : restricted to or *occupied by residences*

Area is a noun defined as : a particular extent of space or surface or one *servng a special function*

Neighbor is a noun defined as : one *living* or located near another

Neighborhood is a noun defined as : a section *lived* in by neighbors and usually having distinguishing characteristics

Community is a noun defined as : a unified body of individuals such as : the people with common interests *living* in a particular area : a group of people with a common characteristic or interest *living* together within a larger society

Zoning is a noun defined as : the act or process of partitioning a city, town, or borough into zones *reserved* for different purposes (*such as residence* or business)

***Note: Quality of Life is defined by the Oxford Language as “the standard of health, comfort, and happiness experienced by an individual or group.”

Question:

How do Short Term Rentals impact residential areas located within the City of Destin?

Answer:

Below is a list of impacts, divided into 3 types, and in no particular order:

1. Direct, obvious and ongoing impacts to residential areas:
 - Traffic congestion
 - Limited parking
 - Sanitation issues
 - Noise
 - Too many people in small areas
 - Not true neighbors
 - Residents do not know their rental neighbors; they only know the tag on the car
 - Commercial activity in residential areas
 - Uptick in crimes of opportunity
 - Public nuisance

2. Not so obvious, yet detrimental impacts to residential areas:
 - The wear and tear on common community property
 - Absentee owners
 - No onsite management

- No onsite check-in; to count heads in beds
 - No drop in checks by management
 - No sense of community
 - Degradation of neighborhoods
 - Increased public safety issues, such as...
 - Gun and weapon incidents
 - Domestic violence incidents
 - Accidental fires caused by outdoor grills
 - Alcohol related incidents
 - Drug use and overdose incidents
 - Trespassing on private property
3. Impacts not only to residential areas, but also to the community of the City of Destin as a whole:
- Increased home insurance costs
 - Increased property taxes
 - Wear and tear on public properties
 - Increased use of unstable infrastructure
 - Increased non-permitted construction, adding illegal bedrooms and bathrooms to increase occupancy; causing an overload to Destin's building to keep up with violators and violations
 - Increased demand on products residents depend on such as groceries, leaving residents few choices
 - Increased beach safety issues
 - Owners of STR properties are NOT invested in the community, such as our local schools and the community events that serve them
 - Increased drug trafficking
 - Increased human trafficking
 - Loss of revenue for locally owned commercial event venues and hotels that also employ locals
 - Money from STRs is funneled through TDC coffers, not returned to City that generated it, and not through city tax revenue streams
 - Loss of the family vacation feel. Party atmosphere. Our residential areas feel more like Bourbon Street or Las Vegas, even on the local waterways
 - Increased trash and garbage along roadways and waterways
 - No regard for the protection of Destin's beaches and natural resources including Gulf Islands National Seashore and Crab Island.
 - No regard for the protection of Destin's wildlife, many species that are endangered and protected by federal and state law. Note: the very reason they want to come here
 - No regard for Florida State Statute, biking laws
 - No regard for Florida State Statute, low speed vehicle laws
 - No regard for local pet laws
 - No regard for pedestrians and their safety
 - No regard for State of Florida traffic laws
 - Directly related to rising housing costs in residential neighborhoods; Little to no inventory for affordable workforce housing and long-term rentals
 - Illegal operations, not paying into anything local, county or state

- Minimal upkeep of the properties, interior/exterior including health and safety issues
- Wages for cleaning services have decreased and the workload has increased.
- No requirement for fire suppression systems
- No requirement for ADA compliance
- Detrimental to local workforce in restaurants; many locally run establishments have recently closed.
- Little to no enforcement of sex offender laws including no law requiring registration while in Destin.
- Increased need for additional Code Compliance and law-enforcement with no means to pay for it.

The question at the end of the day, is if the number of Destin's homesteaded properties continues on its downward trend, then why would there be a need to be a incorporated City, when there will be no one left for Council members to represent that can vote?

DISCUSSIONS:

Ms. Bell would like to add the following items to the list:

- Other than short-term rentals having a contract with local pool service, there is no requirement for them to have any type of life-saving apparatus (i.e., screen around the pool).

After some discussion as to how the above statement might have a direct impact on residents, the group reached a consensus to add the following statement to category #2 above.

There are potential impacts to residents because the increased number of tourists do not have the same requirements as they would if they stayed in the hotel rather than the short-term rental (i.e., pool, fire).

- Increased interior renovations in short-term rentals without a permit to accommodate change in usage (i.e., electrical and plumbing) and that the city has no enforcement capability. Short-term rentals are modifying their interior to accommodate additional occupancy.

There was a question from the public about how the grandfathering clause pertains to parking.

The City Attorney explained that the grandfathering clause is based on when the house was built. The city council adopted an ordinance in 2017 that requires one parking space per bedroom. The parking requirement for houses constructed prior to the adoption date of that ordinance still applies unless the house expands then it has to come into compliance with the current code. She added that a house that was not a short-term rental before and is now being converted to a short-term rental will have to come into compliance with the current code.

There was a brief discussion on where to place the definition portion of this section.

There were no objections to Mr. Wampler's recommendation to move the definitions to either the background or purpose section of the report.

Mr. Wampler also stated that the bullet points under category #3 above - *Increased home insurance costs and increased property taxes*— should not be on the list as they are related to real estate value and not being driven by short-term rentals.

Ms. Bell noted that her comments about home insurance costs came from her conversation with an insurance agent; adding that her personal insurance on her home has increased 500 percent even without filing any claims at all.

Ms. Bell also noted that her property taxes are increasing because commercial entities are coming in and buying residential properties. She stated that she has issues with the fact that there are residential homes that are being marketed and sold not for their value but for how much commercial entities can make on these properties. She added that this is a commercial real estate transaction and not a residential real estate transaction, and that it increases property taxes when it happens. She also added that commercial real estate sales in residential neighborhoods are pushing the residents out.

Committee member Casey Ward commented that they seem to be giving out more personal opinions rather than actual facts throughout their entire conversations tonight; adding that this committee is tasked by the city council to provide a report with actual facts. She does not see actual facts in these documents such as the number of calls the city's Code Compliance Department and the Sheriff's Office are getting that are related to short-term rentals.

Ms. Bell explained that they have all that information, but it is not part of their assigned agenda. At the last committee meeting, they requested that information be obtained but it is not part of the agenda they set for this meeting where they were just going to focus on documents they have at the moment.

Mr. Wampler stated that under category #3 above, to say that wages for cleaning services have decreased and the workload has increased directly resulting from short-term rentals is false. Also, the comment that short-term rentals are detrimental to local workforce in restaurants and causing many locally run establishments to close is also not true as he would argue that a lot of residents that work in hospitality benefit from short-term vacation rentals.

Councilmember Geile stated that one of the biggest complaints from restaurant managers he has spoken with was trying to keep their employees because they could not afford to live in Destin.

Ms. Bell noted they have employees that live as far back as Pensacola and Milton because those are the places they can afford to live.

Mr. Wampler maintains this situation is not directly caused by short-term rentals.

5. NEXT MEETING DATE: Tuesday, October 10, 2023, 10:00 AM

6. PUBLIC COMMENTS:

Mrs. Alice Tadlock mentioned that during last night's Joint Workshop of the Local Planning Agency and the city council, a comment was made that short-term rentals are ruining the community, and that no one tried to invalidate that statement.

Mr. Guy Tadlock noted that Crystal Beach is about 90 percent short-term rentals, and that Holiday Isle is headed in that direction. Their salvation is code enforcement and so rules have to be enforced. He reported having a two-bedroom town home in their neighborhood with maximum occupancy of 8 people and two parking places. They had 4 cars and so the other two parked in other people's parking spaces. The occupants decided to have a cookout on their deck later in the afternoon with about 60 people in attendance. They turned on a loud music for two hours which was excruciating to everyone in that neighborhood.

The City Attorney announced that the Code Compliance Department has scheduled a community workshop on Monday, October 23rd, from 6 to 7:30 pm in the City Hall Annex where this issue and others will be discussed.

ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 11:11 AM.

Marcie Bell, Vice-Chair