



**TOWN OF
BRECKENRIDGE**

Town Council Special Meeting
Friday, September 17, 2021, 8:00 AM
Town Hall Council Chambers
150 Ski Hill Road
Breckenridge, Colorado

THE TOWN OF BRECKENRIDGE IS NOW HOLDING HYBRID MEETINGS. THIS MEETING WILL BE HELD IN PERSON AT BRECKENRIDGE TOWN HALL. ALL MEMBERS OF THE PUBLIC ARE INVITED TO ATTEND. MASKS ARE REQUIRED. IN PERSON ATTENDEES MUST NOT ACCESS THE VIRTUAL MEETING WHILE IN COUNCIL CHAMBERS.

This meeting will also be broadcast live over Zoom. Log-in information is available in the calendar section of our website: www.townofbreckenridge.com. No public comment will be offered at this Special Meeting.

I. CALL TO ORDER, ROLL CALL

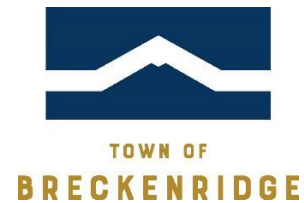
II. APPROVAL OF AGENDA

III. DISCUSSION ITEMS

Short Term Rental License Ordinance Discussion

IV. OTHER

V. ADJOURNMENT



Memo

To: Breckenridge Town Council
From: Rick Holman, Town Manager
Shannon Haynes, Assistant Town Manager
Date: 09-14-21
Subject: Short Term Rental License Ordinance Discussion

On Tuesday, September 14, Council approved on first reading an ordinance to place a cap on non-exempt Short Term Rental (STR) licenses. Council expressed an intent to provide exemptions to the cap regulations via Administrative Rules and Regulations or future amendments to the ordinance. During this special meeting we would like to propose and receive feedback on potential exemptions, and confirm how council would like to move forward with the ordinance on 2nd reading.

Over 300 new non-exempt STR licenses have been issued or are pending since the cap was first discussed at the August 24 Council meeting. The receipt of new license applications continues at a higher than normal rate. Given the likelihood this trend will continue until a cap potentially takes effect on November 2, staff would like feedback on whether or not Council would like to continue with the ordinance as written or consider a moratorium to stop the issuance of additional licenses while considering the implementation of exemptions.

Discussion Items/Questions for Council

- The current proposed non-exempt cap of 2,200 includes all licenses that do not meet the exempt license criteria.
 - o Should staff evaluate a tiered license system that may or may not include separate caps for each tier? (i.e., a license for properties renting 14 days or less that is not subject to the cap, a license for owner occupied rentals)
 - o Should staff evaluate the implementation of exempt zones and/or a “tourism core”?
- If tiers, exemption zones, or a “tourism core” is not implemented, would Council like to consider a higher cap of 2,500 or a cap assessed a percentage of housing supply?
- Should staff create a system for tracking and potentially limiting the number of STR licenses a person/company/LLC can have?

Exemptions

- Staff recommends including exceptions for transfers as a result of the death of the owner, transfer to a family member(s), divorce, or similar circumstances.
- Staff recommends an exemption for fractional properties when a quarter or half share and fraction of the property changes hands.
- Staff recommends an exemption for properties with an active building permit and homes under contract at the time the cap takes effect.
- Should staff evaluate the impact of the cap on 1031 exchange rules?

Does Council support these recommendations?

Other Proposed Incentives for Future Consideration

Based on comments received from the public, staff would like to spend some time discussing what, if any, future incentives the Council might consider that would allow a property owner to obtain a STR permit on top of an existing cap. Some of these incentives include:

- Should staff evaluate the inclusion of a policy that would allow for the issuance of a STR license to a property owner after a certain number of years participating in the Housing Works (or any proven long term rental) program? Ex: for every month an owner long-term rents their unit, they get one-month of STR
- Would Council like staff to evaluate the option to allow one additional STR license per two or three licenses that have been extinguished by a sale until the 2,200 cap has been reached?
- Should staff evaluate a provision to allow a STR license to be issued to a property owner who brings a new deed restricted workforce housing unit into the Upper Blue Basin?
- Should staff create a process to allow a new property owner to be eligible for a license for a short period of time after sale (e.g., 14 days)?

After receiving feedback from Council, staff will make any necessary edits to the ordinance in advance of the September 28 Council meeting. We will also provide Council with a timeline for discussion on items to be included in the Rules & Regulations.

The Town Manager and I will be present at the Special Meeting to discuss the proposed questions and recommendations.