



1026 Park Ave · PO Box 99
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To: Mayor Kudron and the Grand Lake Board of Trustees
From: John Crone, Town Manager
Re: Ordinance 16-2022 Amending Town Code 12-2-31(B)(4) Nightly rentals
Date: December 9, 2022

Background

Grand Lake has always had an active short-term rental market (“STRs”). For several decades, our housing inventory has been dominated by second homeowners. We currently have approximately 820 housing units of which only 28% are occupied by full-time residents (owners or long-term renters). This is very similar to the inventory in 2010, when we had 712 housing units and only 26% were occupied by full-time residents.

In 2005, the Town first drafted rules and regulations for Nightly Rentals (VRBO started in 1995, Airbnb started in 2008). These rules have been periodically updated since their initial adoption.

The Town currently has 95 active STR licenses. We believe that we have at least 20 non-compliant properties. The STR license fee is \$600 a year with a \$165 initial fee. These fees are consistent no matter the size or number of bedrooms available.

Over the course of the last year, the Board of Trustees has held numerous workshops and discussions regarding updating the Town Code’s provisions that deal with the licensing and operation of nightly rentals (STRs) in the Town limits. The last two meetings were held in September of this year.

After the recent meetings, staff was instructed to draft new rules that addressed: license fees, penalties for violations, local contact rules, posting of rules, advertising regulations, parking issues, noise issues, and application processes. The Board considered limitations on the number of licenses (both overall and held by any single entity), however, the Board decided to not pursue these limitations at this time.

Proposed Changes

The attached ordinance has changed:

- 1) The application process to allow for administrative issuance of licenses
- 2) Allows the license to run for a twelve-month period from the date it is issued (rather than Jan. 1 – Dec. 31)
- 3) Provides for a tiered fee structure based on occupancy (the fees will be set at a January 2023 meeting)
- 4) Allows the contact person to live within 45 minutes of Town (opening up to Winter Park and Kremmling based management companies)
- 5) Requires that occupancy and parking limits are posted in the advertisements for the units
- 6) Requires that rules and regulations, noise ordinances, and the contact person’s information are posted in the units
- 7) Raises the maximum penalty to \$1500 (from \$300)
- 8) Allows for suspension or revocation of the license for multiple violations



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- 9) Allows the fire department to set its fees for life safety inspections
- 10) Requires the unit's license number to be posted in advertisements (helps with enforcement)

Motion

If the Board wishes to adopt the changes in the attached ordinance, it may do so by approving the following motion:

I move to adopt Ordinance 16-2022, An Ordinance Amending Section 12-2-31(B)(4) of the Grand Lake Municipal Code (as amended).

**TOWN OF GRAND LAKE BOARD OF
TRUSTEES ORDINANCE NO. 16-2022**

AN ORDINANCE AMENDING TOWN CODE SECTION 12-2-31(B)(4)

WHEREAS, the Board of Trustees of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado; and

WHEREAS, the Town of Grand Lake Town Code sets forth requirements for acquiring a special use permit to allow for nightly rental of properties; and

WHEREAS, the Board of Trustees finds it necessary to protect citizens and visitor of Grand Lake by updating the Town Code regarding the permitting and operation of nightly rental units; and

WHEREAS, the Board of Trustees finds that the changes to the Grand Lake Municipal Code Section 12-2-31(B)(4) as shown in the attached document will allow the more efficient and safer operation of nightly rental units.

**NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES
OF THE TOWN OF GRAND LAKE AS FOLLOWS:**

1. Grand Lake Municipal Code 12-2-31(B)(4) shall be amended as shown in the attached document.
2. Severability. If any article, section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The Board of Trustees hereby declares that it would have passed this Ordinance and each part hereof irrespective of the fact that any one part or parts are declared unconstitutional or otherwise invalid.
3. Repeal. Existing ordinances or parts of ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this Ordinance. Except as specifically amended by this ordinance, all other provisions of the Grand Lake Town Code shall remain in full force and effect.

INTRODUCED, APPROVED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 12th DAY OF DECEMBER 2022.

Votes Approving: _____
Votes Opposed: _____
Absent: _____
Abstained: _____

ATTEST:

**BOARD OF TRUSTEES OF THE TOWN
OF GRAND LAKE, COLORADO**

Alayna Carrell
Town Clerk

By: _____
Stephan Kudron
Mayor

12-2-31 Special and Conditional Use Regulations.

(B) Conditional Use Permits (CUP).

1. Types of Conditional Use Permits.

(a) *General Conditional Use Permits (CUPs)*. Permitted uses allowed in a district, in addition to the uses by right, where so authorized, are designated by individual zoning districts. Please refer to Sections 12-2-81 through 12-2-25 for individual zone listing.

(b) *Nightly Rental Conditional Use Permits*.

4. *Nightly Rental Conditional Use Permits*. Nightly Rental Conditional Use Permits depend on the zoning district which the proposed rental is located. In addition to other Town requirements, no person shall rent or advertise to rent a Single Family structure, dwelling, dwelling unit, or lock-off unit for nightly rental purposes, except in accordance with the provisions of this Article. Nightly Rental CUP applications and renewals will be exempt from the Conditional Use Permitting deposit but may be assessed other fees, as defined within the provisions of this Article.

(a) *Nightly Rental Conditional Use Permits by Zone*.

1. The following shall apply only to the following districts: Open, Residential Estate, Single Family Residential High Density, Single Family Residential Medium Density, Single Family Residential Low Density, Multiple Family Residential Medium Density, and Multiple Family Residential High Density.

(i) *Town Action*.

1. If Town Staff determines that the application satisfies the requirements of Section 12-2-31(B)4, ~~all adjoining property owners or all owners within one hundred foot (100'), whichever includes the largest number of properties, will be notified in writing by the Town of the applicants proposed use. All notified property owners will be given fifteen (15) days to object to the proposed use in writing.~~

~~2. If one (1) or more notified property owners object to the proposed use in writing, the application shall be treated as a conditional use as outlined in Section 12-2-31(B)3. The owner of the subject property shall be given a copy of all written complaints. In consideration of the proposed use, the Planning Commission may hold a Public Meeting to determine its recommendation to the Board of Trustees. The Board of Trustees may hold a Public Hearing on the proposed use to decide whether to approve, modify, or disapprove the Planning Commission's recommendation.~~

~~3. If zero notified property owners object to the proposed use, Town Staff shall issue the Nightly Rental License administratively.~~

~~4.2. Once approved, the Town shall notify the county in writing that the subject property's use now includes nightly rentals. Should the county elect to assess the property at a commercial rate, the owner has the option of purchasing a business license in lieu of the Nightly Rental License.~~

~~5.3. Once approved, the Town will send notice to all adjoining property owners or all owners within one hundred (100) feet, whichever threshold~~

is greater, with the name and 24-hour contact number(s) of the person in charge of the management of the subject property.

(ii) *Renewal.*

1. If zero complaints have been filed in the previous twelve (12) months, and the applicant is current on all taxes, fees and other charges owed the Town, the applicant must only repurchase their Nightly Rental License. For purposes of Section 12-2-31(B)4, a complaint must be either an official police citation or a letter signed by the complaining party.
2. If one (1) or more complaints have been filed in the previous twelve (12) months, the applicant must pay the appropriate application fee, as set by Resolution by the Town Board of Trustee and Nightly Rental License fee. The Town shall provide notice to all adjoining property owners or all owners within one hundred (100) feet, whichever includes the largest number of properties, and the application shall be treated as a conditional use as outlined Section 12-2-31(B)4.

2. The following shall apply only to the following districts: COMMERCIAL TRANSITIONAL, COMMERCIAL, and RESORT DISTRICTS.

(i) *Town Action.*

1. If Town Staff determines that the application satisfies the requirements of Section 12-2-31(B)4, the Nightly Rental License will be issued.
2. Once approved, the Town shall notify the county in writing that the subject property's use now includes nightly rentals. Should the county elect to assess the property at a commercial rate, the owner has the option of purchasing a business license in lieu of the Nightly Rental License.
3. Once approved, the Town will send notice to all adjoining property owners or all owners within one hundred (100) feet, whichever threshold is greater, with the name and 24-hour contact number(s) of the person in charge of the management of the subject property.

(ii) *Renewal.*

1. If the applicant is current on all taxes, fees and other charges owed the Town, the applicant must only repurchase their Nightly Rental License.

3. The following shall apply only to the following districts: PD and PUD.

- (i) Planned Developments/Planned Unit Developments—Are considered one (1) in the same; PD's that have no underlying zoning or are zoned PD or PUD shall be governed under Section 12-2-31(B)4(a)1.

- (b) *Nightly Rental Conditional Use Permit Regulations.* Nightly rentals of such units shall only be authorized if all of the following conditions are met:

1. Applicant must provide two (2) copies of a site plan that displays conformance with the following criteria, the appropriate application fee for all units listed in Section 12-2-31(B)4(a)1, and the appropriate Nightly Rental License fee. No person shall rent or advertise for rent their structure, dwelling or dwelling unit unless a Nightly Rental License has been granted by Town Staff. A nightly Rental License must be obtained for each

structure, dwelling, or dwelling unit. If an application is subsequently denied, the applicant shall be refunded the Nightly Rental License fee.

2. All fees, dues, debts to the Town of Grand Lake, and taxes must be current before a license will be issued.
3. The fee for a Nightly Rental License is set by Resolution and shall be based upon occupancy categories. ~~In instances when a license is issued for a period of time other than twelve (12) months, the fee shall be prorated for the number of months in which it is being issued. Other than the first issued license to an owner of a unit for that unit, a~~ All Nightly Rentals shall be issued for twelve (12) months, from ~~January 1st to December 31st~~ the date that the application is approved. The Nightly Rental License for a unit is transferable to a new owner of that unit upon completion of a complete and approved application.
4. No person shall be granted a Nightly Rental License unless a state sales tax number has been received to provide for the collection of state, local sales and lodging taxes. If the structure, dwelling, or dwelling unit is operated by a third party as defined in Section 12-2-31(B)4(b)5, the third party may use a pre-existing sales tax number for purposes of this paragraph.
5. At the time an application for a license is submitted, the licensee shall provide to Town Staff the name, address and telephone number of any current management company, rental agency or other person employed or engaged by the licensee to manage, rent or supervise the nightly rental. It shall be the duty of the licensee to update such information throughout the term of the license so that Town Staff always has the correct and current information.
6. At the time of the application of the license the licensee shall provide to Town Staff the name, address and telephone number of a local contact person who is authorized by the licensee to receive communications from the Town concerning the nightly rental. The local contact person may be a management company, rental agent or other person employed or engaged by the licensee to manage, rent or supervise the nightly rental. The local contact person shall maintain a residence or permanent place of business within ~~fifteen (15)~~ forty-five (45) minutes driving distance to the Town and must be available twenty-four (24) hours per day, seven (7) days per week, during periods in which the structure is being rented. The designated local contact person may be changed by the licensee from time to time throughout the term of the license. To effect such change, the licensee shall notify Town Staff of the change in writing in advance of the change and shall, at the same time, provide Town Staff with the name, address, and telephone number of the licensee's replacement contact person. Any replacement contact person shall meet the requirements of this subparagraph. Contact information for the local contact person shall be posted in a conspicuous location inside of the nightly rental unit.
7. *Site Plan Criteria.*
 - (i) Adequate parking shall be shown on the site plan, as outlined in Section 12-2-28. Parking requirements for nightly rentals shall be calculated from Group II. The motor vehicles of all occupants of the nightly rentals shall be parked only on the site of the nightly rental, or in a Town-designated parking area located off of the site of the nightly rental. No motor vehicles shall be parked on the lawn or landscaped areas of a nightly rental, or in the public street or right-of-way adjacent to the nightly rental. No person shall be permitted to stay overnight in any motor vehicle which is parked at a nightly rental. All

advertisements for the nightly rental unit shall specify the number of parking spaces available on the property in the description of the unit.

- (ii) There is a clearly-defined trash storage area and an adequate number of trash containers provided and the trash company hired for regular pick-up must be identified. The owner or property manager may use the Pay As You Throw (PAYT) trash program in lieu of hiring a trash company for regular pick-up. All trash containers, regardless of size, that receive trash that is attractive to bears or other wildlife shall be either: (1) an approved wildlife-resistant refuse container; or (2) a refuse container that is stored within a building, house, garage or approved wildlife-resistant enclosure, both which shall be secured with a locking mechanism at all times except when empty or when refuse is being deposited.
- (iii) The Single Family Dwelling Unit to be used as a nightly rental shall provide on-site snow storage that is equivalent to one-third (⅓) of the designated parking area and shall be in addition to and not part of the required parking area.
- (iv) The location of the Single Family Dwelling unit, Accessory Dwelling Unit, and all other buildings must be depicted and labeled accordingly. The scale, building materials and colors of the building shall be consistent with the neighborhood and shall not be used to draw attention to the structure.
- (v) The applicant shall obtain HOA sign-off if the property resides within an HOA.

8. *Additional Criteria.*

- (i) While occupying or visiting a nightly rental, no person shall make, cause or permit unreasonable noise to be emitted from the nightly rental that is in violation of Section 7-1-15, Disturbing the Peace or Section 7-1-16, Unnecessary Noise. The text of sections 7-1-15 and 7-1-16 of the Grand Lake Municipal Code shall be posted in a conspicuous location inside the nightly rental unit.
- (ii) At no time shall a nightly rental qualify for a sign permit. If more than one (1) property is accessed by a shared driveway, written permission to access the drive must be obtained from each affected property owner.
- (iii) Nightly Rental units must pass annual fire and life safety inspections. Such fire and life safety inspections shall include, but not be limited to: determining that each nightly rental unit has sufficient numbers of adequately maintained smoke, carbon monoxide, and other required detectors; that each nightly rental unit has sufficient numbers of adequately maintained and rated fire extinguishers; that each nightly rental unit has sufficient and adequately maintained means of egress; and, such inspection shall determine the allowable occupancies for each nightly rental unit.
 - (a) The standards for sufficiency, adequacy, and occupancy as referenced in this requirement shall be determined using the applicable criteria from the most recently adopted versions of the Primary Codes as defined in Grand Lake Town Code Chapter 9: Building Regulations.
 - (b) All nightly rental units shall complete a fire and life safety inspection within twelve (12) months of applying for the initial nightly rental license. No renewal of a nightly rental license shall be issued unless the nightly rental unit has passed the fire and life safety inspection within the previous twelve (12) months.

(c) The cost of the fire and life safety inspection shall ~~not exceed two hundred fifty dollars (\$250.00) or such amount as may be set by resolution of the Board of Trustees~~ be set by the agency conducting such inspections.

(iv) All advertisements for the nightly rental unit must list the allowable occupancy of the unit in the description of the unit. Any person advertising a nightly rental unit at a higher occupancy than that identified in the most recent fire and life safety inspection or knowingly renting at a higher occupancy than that identified in the most recent fire and life safety inspection shall be in violation of this Section 12-2-31(B)(4).

(v) Compliance with the conditions set forth in Section 12-2-31(B)(4)(b) shall be the non-delegable responsibility of the owner of the nightly rental; and each owner of a nightly rental shall be strictly liable for complying with the conditions set forth in this Section or imposed by the Board of Trustees.

(vi) Licensee to Receive Conditions. At the time of the issuance of a license, Town Staff shall provide the licensee with a copy of the special conditions set forth in Section 12-2-31(B)(4)(b) or imposed by the Board of Trustees.

(vii) Licensee to Post License and Conditions. The licensee shall post a copy of the license and the conditions set forth in Section 12-2-31(B)(4)(b) or imposed by the Board of Trustees in a conspicuous location in the nightly rental. The license and the conditions shall remain continuously posted in the nightly rental throughout the term of the license. All advertisements for the nightly rental unit shall include the Grand Lake nightly rental license number in the description of the unit.

(viii) Licensee to Provide Management Company with Conditions. The licensee shall provide any management company, rental agency or other person employed or engaged by the licensee to manage, rent or supervise the nightly rental with a copy of the conditions set forth in Section 12-2-31(B)(4)(b) or imposed by the Board of Trustees.

(c) *Nightly Rental Conditional Use Permit Penalties.*

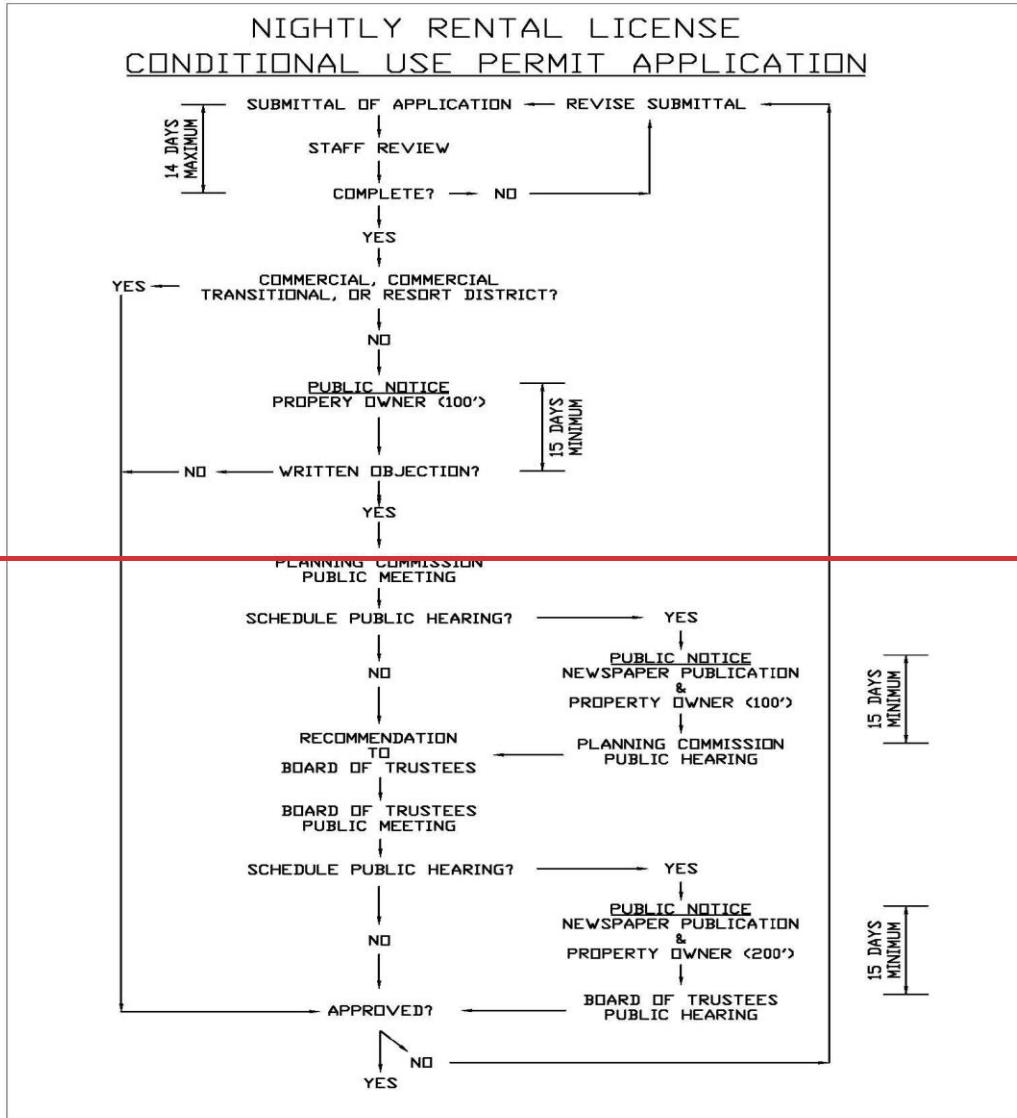
1. Any person found to be advertising a Nightly Rental without a license to rent that property will be notified by certified mail to cease and desist all advertisements. Upon receipt of that notice, the offending party shall have ten (10) days to remove the offending advertisement. After this grace period has ended, or upon a second or further violation, the offending party shall be determined to be in violation of this Ordinance and shall be ticketed for each offense.

2. A violation of any part of Section 12-2-31(B)(4) is punishable by a fine not to exceed one thousand five hundred dollars (\$1,500.00) ~~three hundred dollars (\$300.00)~~ for each occurrence. Each day such violation persists or continues shall constitute a separate and distinct offense.

3. Three or more violations of Section 12-2-31(B)(4) shall result in a six-month suspension of the nightly rental permit. Five or more violations of Section 12-2-31(B)(4) shall result in the permanent revocation of the nightly rental permit

~~3.4.~~ The Town may also seek an injunction in addition to all other remedies and penalties provided for by local ordinance or available law.

4.5. All these remedies shall be in addition to all other remedies and penalties provided for by local ordinance or available at law.



(Ord. No. 01-2020 , §§ 1, 2, 1-27-2020; Ord. No. 07-2020 , § 1, 6-8-2020)