

## **Transient Lodging Task Force Recommendation to Town Council**

### **Mission statement:**

The Transient Lodging Task Force (“Task Force”) will evaluate, review and make recommendations to the Town Council (“Council”) with respect to policies on short-term (less than 30 days) transient lodging (“Transient Lodging”) within the corporate limits of Shepherdstown (“Shepherdstown”).

### **Summary Recommendation:**

The Task Force **recommends that the Council approve Transient Lodging** in Shepherdstown and make the necessary changes to Town Ordinances to allow for Transient Lodging in any district provided that the Task Force’s three requirements, outlined below, are met. (Currently, Transient Lodging is permitted in the Residential-Commercial zone only.)

### **Reasons for the Recommendation:**

The Task Force, with input from the community and in its research on the experiences of other jurisdictions, concludes that offering Transient Lodging would be beneficial to Shepherdstown for the following reasons:

- Provide diversity in lodging options to attract a more diverse group of visitors
- Be competitive with other tourist destinations
- Offer a type of lodging that increasingly millennials, families and people with pets are choosing
- Provide needed additional lodging during peak times
- Enable homeowners to supplement income
- Provide a walkable experience that benefits local businesses; that in turn creates a vibrant downtown benefitting residents and Shepherd University
- Offer additional source of revenue to the Town
- Support the Shepherdstown Comprehensive Plan
- Offer fairness to residents in all parts of Town; not just those that live in Residential-Commercial zone.

### **Requirements to be Issued Transient Lodging Business License:**

The Task Force believes that if the following conditions are met many of the concerns about bringing Transient Lodging to Shepherdstown would be eliminated. The first item is of paramount importance as it would not allow for houses to be purchased or existing apartments to be converted to Transient Lodging if it is not the primary residence of the homeowner.

1. Transient Lodging would be **permitted only in properties that are the owner’s primary residence.**
2. Owners will be required to secure a business license that includes a certificate of occupancy. Upon application, the owner’s property will be **required to pass an inspection** that addresses issues including health, safety and the physical rental space. The cost of this would be included in the business license fee.
3. Owners would be required to offer parking utilizing the **existing Parking Committee construct** of off-street parking or a single Guest Parking pass.

## **Comprehensive Plan**

While the Shepherdstown Comprehensive Plan of 2013 (“Plan”) did not specifically address Transient Lodging, it did in “4.2 – Assessment of Local Lodging Opportunities” state that if there are gaps in availability of rooms that short-term/vacation rentals should be considered to accommodate the needs of a wide range of tourists. Transient Lodging will help implement other sections of the Plan in that it would:

- Increase tourism
- Bring a diversity of people to town
- Provide a means of financial support for preservation of homeowners’ historic homes

## **Financial Effect:**

Based on a hypothetical scenario of 15 households hosting Transient Lodging, a room rate of \$120 (the seasonal average of 12 AirBnB’s in the area), of 30% occupancy and increased permit fees, the Task Force estimates that allowing Transient Lodging in Town could add annual revenue of \$28,000. Hotel-motel tax is currently not required for rentals of less than three rooms. The Task Force recommends that this lodging tax be levied on rooms below that threshold.

## **Ordinances:**

The Task Force’s preliminary review found several provisions of Title 8 and Title 9 that would need to be changed to allow for Transient Lodging in Shepherdstown. It should be noted that if the Town decides that Transient Lodging is not beneficial to Shepherdstown, these Ordinances would still need to be changed to reflect this decision by disallowing Transient Lodging in the Residential-Commercial district.

In addition, it must be noted that this Task Force was formed at the request of the Shepherdstown Planning Commission, which asked that this subject be reviewed in its totality so as not to continue with the current practice of making spot zoning exceptions through the Board of Zoning Appeals.

## **Current Relevant Ordinances:**

- Title 9-203
- Title 9-207
- Title 9-214
- Title 9-505
- Title 9-602
- Title 8-209

The Task Force recommends that creating a single section within Title 9, consolidating the Transient Lodging requirements, would make for more clear and concise communications.