

City Council

Study Session Agenda

**November 10, 2015
Library Conference Room
951 Spruce Street
7:00 PM**

Note: The time frames assigned to agenda items are estimates for guidance only. Agenda items may be heard earlier or later than the listed time slot.

- | | | |
|-----------------------|-------------|--|
| 7:00 p.m. | I. | Call to Order |
| 7:00 p.m. – 7:30 p.m. | II. | Discussion – Roadway Traffic, Speeding and Pedestrian Safety |
| 7:30 p.m. – 8:00 p.m. | III. | Discussion – Short-Term Rentals |
| 8:00 p.m. – 8:30 p.m. | IV. | Discussion – Draft Agenda for City Council Retreat |
| 8:30 p.m. – 8:35 p.m. | V. | City Manager’s Report & Advanced Agenda |
| 8:35 p.m. – 8:40 p.m. | VI. | Identification of Future Agenda Items |
| 8:40 p.m. | VII. | Adjourn |

**SUBJECT: DISCUSSION – ROADWAY TRAFFIC, SPEEDING AND
PEDESTRIAN SAFETY ISSUES**

DATE: NOVEMBER 10, 2015

**PRESENTED BY: KURT KOWAR, PUBLIC WORKS DIRECTOR
TROY RUSS, PLANNING AND BUILDING SAFETY DIRECTOR
DAVE HAYES, POLICE CHIEF**

SUMMARY:

Council has asked staff to provide information on roadway traffic, speeding and pedestrian safety. The attached presentation summarizes that information.

City Council and staff periodically receives inquiries, requests, or complaints regarding traffic, speeding and pedestrian safety issues. The map in the attached presentation shows the primary areas of these communications have focused on over the last several years. The remainder of the presentation covers staff's process for reviewing concerns, and various tools available to address the concerns.

There are many standards and best practices that can be applied to mitigate traffic and pedestrian conflict areas. Each location tends to be an isolated case study. In many cases, evaluating the need for improvements or action (signage, stepped up monitoring, roadway improvements) based only on traffic engineering warrants or objective standards may not satisfy the community desires. In such cases, Council must weigh competing perspectives and interests and determine how much funding they want to commit.

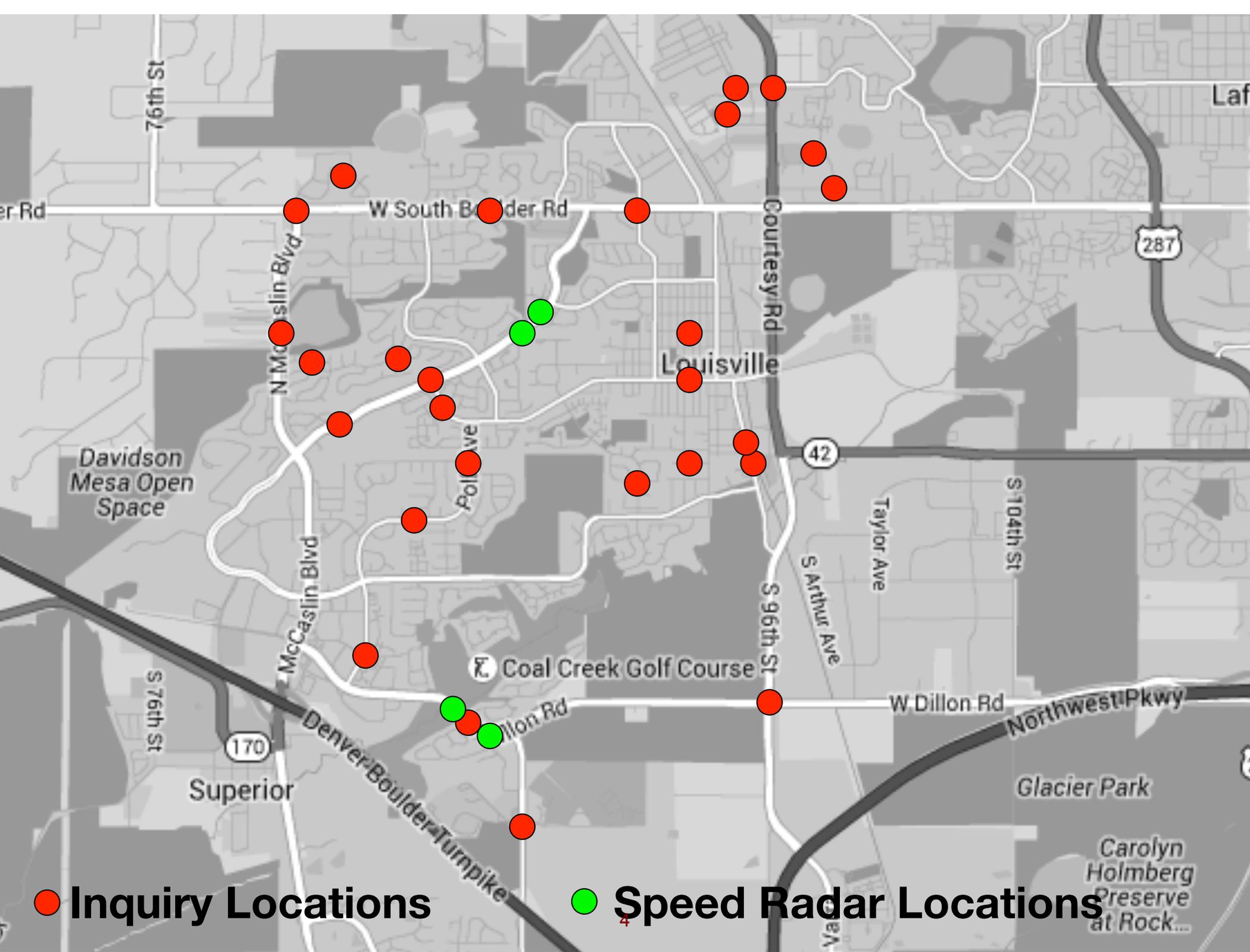
ATTACHMENT(S):

1. Presentation

General Traffic and Pedestrian Safety Discussion

Presented by Public Works, Police, and Planning, November 10th, 2015





Traffic/Roadway Inquiry Common Complaints

- Speeding
- Crosswalk Safety
- School Zone Safety
- Traffic Signals (Timing, Accidents)

Considerations during Staff Review

- Site Visit
- Total Number of Complaints
- Area of Concern Context (School Zone, Trail, Intersection)
- Volume of Traffic, Pedestrians, Bikers
- Accident Data, Police Report
- Traffic Count/Speed Study

Various Management Tools

- Crosswalks
 - Markings, Signs, Flashing Lights, Raised, Signal
- Traffic Signals
 - Timing, Turn Arrow vs. Free Turn
- Bump Outs, Pedestrian Refuges, Speed Humps/Cushions, Traffic Circles, Traffic Roundabout
- Active Feedback Speed Radar
- Speed Trailer
- Enforcement (621 Radar Summoneses, 1,022 Radar Warnings)

SUBJECT: SHORT-TERM RENTALS

DATE: NOVEMBER 10, 2015

**PRESENTED BY: TROY RUSS, PLANNING DIVISION
PENNEY BOLTE, FINANCE DEPARTMENT
DAVE HAYS, POLICE DEPARTMENT**

SUMMARY:

Online companies like VRBO (Vacation Rental by Owner) and AirBnB, along with others, have increased the likeliness of short-term rentals occurring in Louisville. Staff has documented an increase in calls from concerned residents regarding these web-sites and how short-term rentals are interpreted in the Louisville Municipal Code (LMC). Specific concerns raised have been related to neighborhood compatibility, equal competition, lodging tax revenues, supplemental household income, and building safety.

Short-term rentals are common in vacation communities like Breckenridge and Aspen as well as larger urban communities like Boulder and Denver. However, short-term rentals, in more suburban communities like Louisville, historically, have been far less common. A recent look at the AirBnB website by the Louisville Police Department showed 18 addresses advertising short-term rentals in Louisville while a similar investigation in Boulder found 1,800 listings.

Louisville's current code was drafted long before such rentals became popular. There is nothing in the code that addresses such rentals directly. This study session is intended to discuss the City's current regulations and enforcement policies related to short-term rentals and explore options, if appropriate, in addressing emerging online short-term rental businesses in Louisville.

BACKGROUND

Louisville Municipal Code - Zoning

Despite dated language, the Louisville Municipal Code (LMC) does provide rules for short-term rentals. Staff interprets the LMC to allow short-term rentals in the Residential Medium Density (RM) and Residential High Density (RH) Zone Districts.

Staff interprets short-term rentals as Use Group #6 - Boarding and Lodging Houses, in Section 17.12.030 (use table) of the LMC. Use Group 6 is an allowed use by right in the RM and RH Zone Districts. Section 17.08.030 defines a boardinghouse to mean *“a building other than a hotel, cafe or restaurant where, for direct or indirect compensation, lodging and/or meals are provided for three or more boarders and/or roomers exclusive of the occupant's family”*.

The renting of dwelling units for time periods longer than 30-days is allowed in all residential zone districts. However, short-term rentals (less than 30-days) are not

allowed in any residential zone district, unless they are a boardinghouse / lodging house. The LMC's definition of "dwelling unit" restricts the rental of units for periods less than 30-days.

Sec. 17.08.130. - *Dwelling unit. Dwelling unit means one room or rooms connected together constituting a separate, independent housekeeping establishment for owner occupancy or **for rental or lease on a monthly or longer basis**, physically separated from any other rooms or dwelling units which may be in the same structure, and served by not more than one gas meter and one electric meter.*

If a complaint arises about a particular rental unit, Code Enforcement requests the owner provide evidence they are renting the property for period 30-days, or longer (per Sec.17.04.130). If owner cannot produce such evidence during an investigation, the staff would be inclined to define the activity as a boarding house and therefore not allowed to occur in any residential zone district except the RM and RH Zone Districts.

Louisville Municipal Code - Taxation

The city imposes a lodging tax on rentals of thirty days or less in Chapter 3.22. The intent of the code is for *"every person who, for consideration, leases or rents any hotel room, apartment hotel room, motel room, lodging house room, motor hotel room, guesthouse room, guest ranch room, extended stay lodging room or similar accommodation (collectively "lodging") located in the city shall pay, and every person who furnishes for lease or rental any such lodging shall collect, the tax imposed by this chapter."*

According to the LMC, these short-term rentals should apply for a Business License with the City's Finance Department and be subject to the City's 3% lodging tax and 3.5% sales tax. Currently, single family housing units are not eligible for short-term rental of less than 30-days.

CONSIDERATIONS

The City of Boulder staff produced a series of pros and cons for their February 10th City Council Study Session. Staff believes the items presented in that communication are relevant in Louisville and discussion related to possible modifications to the City's short-term rental policies and regulations.

Cons

- 1. Impact on Residential Neighborhoods.** One major concern is the impact of short-term rentals on the character and stability of the neighborhoods in which the short-term rentals exist. Frequent turnover, additional traffic and cars can undermine the quality of life in a residential neighborhood.
- 2. Unfair competition to the Hotel/Motel Industry.** The Hotel and Motel Industry is subject to significant regulation both at the city and the state level. Hotel

owners pay a lodging and sales tax on every room rental. Single family short-term rentals do not pay taxes and do not comply with health and safety regulations. This creates an unfair playing field with motels and hotels that are complying with the law.

3. **Public Safety.** The growing number and diversity of short-term rentals makes it very difficult to assure compliance with minimum standards of health and safety and policing if a crime would occur.
4. **Impact on Availability of Housing.** Housing that shifts to permanent short term rental is taken out of the pool of units available for residential use. In some communities, it is common for investors to purchase a home for the purpose of short term rental. Each house dedicated to short term rental is one less house available for residential use. Such a trend could negatively affect the City's already challenging housing market.

Pros

1. **Generating Income for Residents.** Short-term renting a residential property appears to be a way for Louisville residents to earn a little extra income. Living in Louisville can be very expensive.
2. **Economic Activity. According to the Boulder Communication,** Airbnb has done studies of its economic impact on the following eight cities: San Francisco, New York, Paris, Amsterdam, London & Edinburgh, Sydney and Barcelona. The following is a summary of the San Francisco results (click here for the full report <http://blog.airbnb.com/airbnb-economic-impact/>):
 - The average San Francisco hotel guest visits for 3.5 days and spends \$840. The average San Francisco Airbnb guest visits for 5.5 days and spends \$1,045.
 - 56 percent of Airbnb hosts in San Francisco said they use their Airbnb income to help pay their mortgage or rent.
 - 72 percent of Airbnb properties in San Francisco are located outside the central hotel district.
 - 42 percent of hosts in San Francisco use their Airbnb income to pay for regular living expenses.

There has been no study of economic impacts on Boulder, Louisville or any similarly situated community.

RESEARCH

The following is a summary of the provisions of some municipal ordinances addressing residential vacation rentals. The City of Boulder's February 10th City Council Study Session was the source of this research.

Towns and Cities in Colorado

1. **Aspen.** In 2011, the Aspen City Council adopted an ordinance allowing for residential vacation rentals in Lodging Zone Districts, Commercial Zone Districts, Mixed Use Zone Districts, and Residential Zone Districts. The ordinance also limits rentals to no more than 30 days. It requires that the host obtain a vacation rental permit and a city tax ID and collect tax. If there is a homeowner’s association, the host must notify the HOA of the application for a vacation rental permit. The ordinance prohibits a host from renting individual rooms and requires that the host have a local representative to respond to renter issues.
2. **Vail.** Vail has not adopted any specific regulations for vacation rentals. Vail does not require a business license for persons who rent no more than two units. Vail does require that owners pay sales and lodging taxes.
3. **Breckenridge.** Hosts must obtain an Accommodations Unit license and pay an annual fee. Hosts must also collect sales and lodging tax.
4. **Frisco.** Requires hosts to obtain a town business license and pay sales and lodging taxes.
5. **Colorado Springs.** Short-term rentals are allowed in any zone where single family or multi-family residential uses are allowed. Hosts must collect sales and lodging tax. No signage identifying the property as a short-term rental is permitted.

FISCAL IMPACT:

Staff conducted an analysis of potential tax revenues from short-term rentals in Louisville based on revenue assumptions generated by the City of Boulder. The analysis showed, based on City of Boulder’s visitation rates, that allowing and taxing short-term rentals in Louisville could potentially generate between \$20,000 and \$60,000 in new revenue. However, since visitation rates in Louisville would likely be much lower than in the City of Boulder, staff believes it is very unlikely allowing and taxing short-term rentals would reach even the lower level of that potential range. Furthermore, staff believes the likely potential revenue would not fully cover additional costs associated with the costs of issuing business licenses, collecting and auditing taxes imposed on short-term rentals, and code enforcement related to short-term rentals if the City adopts and strictly enforces regulations governing short-term rentals. Finally, if the Council wants to change the City’s zoning to allow the short-term rentals in residential zone districts, the effect would be to expand the City’s tax base on which sales tax and lodging tax is applied. This would require a TABOR election, like Boulder conducted on November 2, 2015.

RECOMMENDATION:

Staff is seeking a discussion with City Council and the Community regarding the City’s short-term rental policies and regulations with the following conversation topics:

- Should potential short-term rental regulations be updated for clarification?
- Should potential short-term rental regulations be modified to expand, or restrict the activity in Louisville in terms of:
 - Location?

SUBJECT: RECREATION CENTER EXPANSION AND AQUATIC CENTER OPTIONS

DATE: NOVEMBER 10, 2015

PAGE 5 OF 5

- Principal use with resident present?
- Limited number of Days?
- Insurance requirements?
- Should potential short-term rental regulations mitigate potential neighborhood character, or stability impacts?
 - Noise / Nuisances?
 - Parking?
- Given the limited revenue forecasts, should potential short-term rental regulations require business licenses and be subject to the City's lodging and sales tax?
- Is there more information City Council would find useful?

ATTACHMENTS:

- None

SUBJECT: DRAFT AGENDA FOR JANUARY 26, 2016 CITY COUNCIL
RETREAT

DATE: NOVEMBER 10, 2015

PRESENTED BY: MALCOLM FLEMING, CITY MANAGER

SUMMARY: Please see attached the draft agenda for the scheduled January 26, 2016 City Council Retreat. Staff seeks robust discussion and feedback on the draft agenda to ensure an effective and efficient City Council Retreat.

RECOMMENDATION:

- Discussion

ATTACHMENTS:

- January 26, 2016 Draft City Council Retreat Agenda
- 2016 Programs, Subprograms and Contributing Projects

***City Council
Special Meeting
City Council Retreat
Agenda***

Tuesday, January 26, 2016

**Louisville Public Library
951 Spruce Street
Meeting Room, 1st Floor
4:00 PM to 8:30 PM**

4:00 to 4:05 PM CALL TO ORDER AND APPROVAL OF AGENDA

4:05 to 5:00 PM HABITS OF HIGHLY EFFECTIVE COUNCILS
Discussion of [10 Habits](#) (Focus on Those Below)

- Think and Act Strategically
- Demonstrate Teamwork
- Honor Council-Staff Partnership
- Allocate Council Time & Energy Effectively
- Assess Policy & Performance
- Practice Continuous Development

What actions should Council focus on to ensure effectiveness?

5:00 to 5:15 PM DINNER SERVED

5:15 to 7:15 PM 2016 PRIORITIES
Discussion/Q & A

- 2016 Programs, Subprograms and Contributing Projects
- Street Maintenance and Repair

- McCaslin Urban Renewal Area Plan
- SoBoRd & McCaslin Small Area Plans
- Recreation Center Expansion
- Golf Course Financial/Operational Results
- Biennial & Program Budget
- Police Department Strategic Plan
- Economic Development Review
- Employee Compensation & Benefits
- Parks & Public Landscaping Expectations
- Boards and Commissions Interaction
- Development Review & Cost recovery
- Other?

7:15 to 7:30 PM

BREAK

7:30 to 8:25 PM

2016 PRIORITIES

Identify top X (12? 10? 6?) priorities and amount of time Council will devote to each priority

8:25 to 8:30 PM

REVIEW DECISIONS, DIRECTION & ACTION

Recap and confirm actions to promote effectiveness and agreed on priorities

8::30 PM

ADJOURN

Programs, Goals, Sub-Programs & Contributing Projects

City of Louisville Programs, Goals, Sub-Programs and Contributing Projects			
Programs	Goals	Sub-Programs	2016 Potential Contributing Projects
Transportation	A safe, well-maintained, effective and efficient multi-modal transportation system at a reasonable cost.	Planning and Engineering	<ol style="list-style-type: none"> 1. Complete South Street Gateway Underpass (dependent on RR) 2. Complete Hwy 42 Plan Short Street improvements 3. Complete DDI 4. Complete County Road Bridge
		Transportation Infrastructure Maintenance	<ol style="list-style-type: none"> 1. N. McCaslin resurfaced 2. 2016 downtown booster complete 3. Lucity Asset Management Software, ERP and Cartegraph permit modules fully operational
		Streetscapes	Complete Phase II downtown brickwork resetting
		Snow & Ice Removal	Improved snow removal with computer controls, storage and ice slicer

Programs	Goals	Sub-Programs	2016 Potential Contributing Projects
Utilities	Ensure safe, reliable, great tasting water; properly treated wastewater; effective stormwater control; successfully managed solid waste; and competitive prices for all services.	Water	<ol style="list-style-type: none"> 1. Finish major renovations (Pump Station, Chlorine Contact Tank) to SCWTP 2. Evaluate Water Financial Plan
		Wastewater	Substanti completion of WWTP
		Stormwater	Complete Citywide Drainage Asset Management Plan
		Solid Waste, Recycling and Composting	Implement Admin Fee adjustment to provide sufficient working reserve funds.
Public Safety & Justice	Police and other City staff working with the community to help ensure safety; satisfy residents' expectations that individuals observe the City's Municipal Code and State Law; and the justice system is fair, effective and efficient.	Patrol and Investigation	<ol style="list-style-type: none"> 1. Evaluate shared services options for law enforcement and communications 2. Body Cams for Police Officers 3. Complete evaluation of service level standards and their effectiveness in determining whether we have a good agreement with the County
		Code Enforcement	ID properties with chronic violations and implement proactive enforcement to maintain compliance
		Municipal Court	Specific actions to increase collaboration between staff in PD and Court

Programs	Goals	Sub-Programs	2016 Potential Contributing Projects
Parks	Provide well-maintained parks and landscaped areas that are easy to walk to and enjoyable to visit or see; sports facilities that are fully used and properly maintained; and a suitable final resting place that meets community needs.	Parks	1. Implement Wayfinding 2. Implement ADA playground replacements
		Forestry	Ongoing replacement of ash trees and those damaged due to severe weather change in November of 2014
		Horticulture	Consideration of landscaping standards and replacement of dated and damaged landscaping
		Cemetery	
Open Space & Trails	Acquire candidate properties as they become available and preserve, enhance and maintain native plants, wildlife, wildlife and plant habitat, cultural resources, agriculture and scenic vistas and appropriate passive recreation.	Acquisition	Pursue preferred acquisitions as become available
		Maintenance and Management	Eradicate List A Noxious Weeds
		Education and Outreach	Train with PD on Comprehensive Coyote Mgt Plan
		Trail Maintenance	Maintenance and repair to existing trails due to usage and weather
		New Trails	Implement Wayfinding

Programs	Goals	Sub-Programs	2016 Potential Contributing Projects
<p align="center">Recreation</p>	<p>Promote the physical, mental and social well-being of residents and visitors through a broad range of high-quality, reasonably priced recreation and leisure activities for people all ages, interests and ability levels.</p>	Youth Activities	<p>Submit proposed tax measure to voters for Recreation/Senior Center expansion and/or new aquatics center</p> <p>1. Revenue positive 2. Restroom on back 9 in CIP</p>
		Adult Activities	
		Senior Activities and Services	
		Aquatics	
		Golf Course	
<p align="center">Cultural Services</p>	<p>Provide services, facilities and activities that inform, involve, engage and inspire the community and preserve the community heritage.</p>	Library Services	<p>1. Increase collaborations with schools 2. Migrate to the new platform for the library's Integrated Library System 3. Implement newly expanded Flatirons Library Consortium 501 c(3)</p>
		Museum Services	<p>1. Augment online access to historic Louisville photos and documents 2. Complete Historic Structure Assessments on Tomeo House and the Jacoe Store</p>
		Cultural Arts & Special Events	<p>1. Further refine Special Events process pending 2015 season observations 2. Finalize and adopt Cultural Arts Master Plan</p>

Programs	Goals	Sub-Programs	2016 Potential Contributing Projects
<p align="center">Community Design</p>	<p>Sustain an inclusive, family-friendly community with a small-town atmosphere; effective and efficient building services; and effective preservation of the City's historic structures through a voluntary system.</p>	<p align="center">Community Design</p>	<p>1. Small area plan implementation (public infrastructure, rezoning, and design guidelines) 2. Initiate and implement 1st neighborhood plan 3. Update CMRS administrative policy for public buildings</p>
		<p align="center">Development Review</p>	
		<p align="center">Historic Preservation</p>	<p>Implement specific historic preservation surveys identified in Historic Preservation Master Plan</p>
<p align="center">Economic Prosperity</p>	<p>Promote a thriving business climate that provides job opportunities, facilitates investment and produces reliable revenue to support city services.</p>	<p align="center">Business Retention and Development</p>	<p>1. Downtown improvements to help facilitate connections in and around downtown 2. Coordinate with CTC on design for additional connection 3. Sam's Club redevelopment</p>
		<p align="center">Urban Renewal</p>	<p>Pursue infrastructure improvements in the URA to address blight/facilitate additional investment</p>

Programs	Goals	Sub-Programs	2016 Potential Contributing Projects
Administration & Support Services	Ensure inclusive, responsive, transparent, friendly, fiscally responsible, effective and efficient governance, administration and support.	Governance & Administration	<ol style="list-style-type: none"> 1. Assess Facilities/Maintenance Level of Service 2. Pursue shared services opportunities/capital
		Public Information & Involvement	Citizen Survey
		City Clerk/Public Records	Possible 2016 Coordinated Election on TABOR question/expanded recreation facilities
		Legal Support	Manage legal expenses within various disciplines/departments
		Human Resources & Organizational Development	<ol style="list-style-type: none"> 1. Train supervisors on ERP system 2. Adopt organizational succession plans for each Department
		Finance, Accounting & Tax Administration	1. In 2016 plan 2 year budget overview for 2017/18 with annual approval
		Information Technology	<ol style="list-style-type: none"> 1. Complete ERP Implementation 2. Business continuity and disaster recovery
		Sustainability	<ol style="list-style-type: none"> 1. Implement Community Garden in coordination with LSAB 2. City Council consideration of LSAB Sustainability Plan
		Facilities Maintenance	Review utility energy management
		Fleet Maintenance	Initiate development of fleet metrics