

THE GENEVA CITY COUNCIL

JOURNAL OF PROCEEDINGS

SPECIAL COUNCIL MEETING

April 29, 2024 – 5:15 PM
City Hall – Second Floor Teams' Room
47 Castle Street
Geneva, NY 14456

Presiding – Steve Valentino, Mayor

1. ROLL CALL

Present: Clr. Brennan, Clr. Whitfield (arrived at 5:31pm), Clr. Lavin, Clr. Pealer, Clr. Gillotte,
Clr. Petropoulos, Clr. Moracco

Absent: Clr. Grimaldi

2. PROCLAMATION – Arbor Day

3. WORKSESSION ON SHORT TERM RENTAL LICENSE FEES

City Manager Hendrix began by giving a brief update on the Short Term Rental Ordinance, and handing the discussion over to David West.

David West led off noting that feedback was taken from Council last month, stating that it was great to have the new legal team's review, as they addressed a few big things and a lot of little things. The ordinance has better definitions now and is more enforceable. Additionally, structural changes include removing the special use permit process, to now being allowed by right. Parking requirements are reduced to match residential use. Fees have been adjusted to be more equitable and easier to understand, now scaled to \$250 per bedroom. The site plan review process has been removed, meaning short term rentals do not need to go to the Planning Board for review. There will just be a license for review with staff. The goal of the fee is to cover the City's costs. The definition of a bedroom isn't included in the ordinance, the definition of a bedroom will default to either zoning code or state law, if zoning code doesn't contain that definition. Counselor Petropoulos noted that in Article II, Chapter 215-44 the definition of "Dwelling" is a building that contains one or two dwelling units, and shouldn't it rather state one or more dwelling units? Robert from Legal noted that this definition came directly from City zoning code, and that can be looked at for updating. It was then noted that the definition for estate should also be reviewed.

Counselor Gillotte wondered why the City is charging a licensing fee of \$250 per bedroom, where as the Town is charging \$250 per Short Term Rental. David noted that the Town's ordinance differs in that you are required to live at or adjacent to the Short Term Rental. City Manager Hendrix added that the cost of staffing and administration, as well as the outside vendor to track the Short Term Rentals, and compliance were included into the licensing fee price. She added that if any cases happen to go to court, it would take up all the licensing fees and then some. Counselor Pealer requested a break

down of how staff arrived at the \$250 per bedroom fee, and wondered if the Town has found a way to incur less costs, perhaps the City can as well.

Counselor Brennan wondered if the sales tax exemption for efficiency units and bungalows would affect this ordinance. Robert will look into it and follow up. Counselor Brennan also wondered if the four bedroom max was intentional, as well as the 10 person max occupancy. Staff advised that previous council had added this language to the ordinance intentionally. Councilor Brennan inquired as to the penalty for violations which includes a \$250 fine and up to two weeks in jail. Robert advised that the jail language is standard code enforcement penalty language, and that the jail element exists to support criminal procedural law. Councilor Brennan thanked staff for their work on this ordinance. Mayor Valentino thanked staff and the legal team for their time and effort as well.

Mayor Valentino wondered what the difference in inspection language was between 215-44-2 B and D. Robert explained that one inspection was to get the license and the other was for the right to inspect for compliance. The language will be made clearer.

Councilor Lavin wondered what the legal implications would be if a year from now the City realizes a mistake and wants to reverse the ordinance after granting formal licenses. Legal shared that there would need to be grace granted for a sunset period. Legislation would have to be drafted in a codified process.

Councilor Petropoulos shared a conversation he recently had with a local realtor that Short Term Rentals are trending towards cycling out, as such he isn't expecting a glut of new applications. Discussion followed.

Councilor Gillotte noted that in his field investors take risks and attrition takes care of itself. He'd like to monitor the situation for some time, see how things go, and as David and his office get more inquiries for Airbnb's try to direct them more towards downtown and South Main St., into areas we'd like to improve.

Councilor Pieler agreed with the assessment of investors taking risks and hopes that risk doesn't come through governance, creating criminals from an otherwise legal situation. He wondered if licensing Short Term Rentals would be more or less burdensome than a building permit for a private home. Neil offered that they are not incredibly time consuming, and he expects properties to be in good shape as they're reviewed online by guests, it is a business. The people operating the license will need to do a good job maintaining their properties. Councilor Pieler wondered what a residential building permit costs, Neil shared that for a typical deck or porch it's around \$50. Councilor Petropoulos noted that permits for his building were a little more, due to being over a certain number of stories. He additionally liked the idea to incentivize STR's downtown where there are vacant units.

Councilor Lavin noted that's why he'd like to see Short Term Rentals limited to downtown, to put sales pressure on those buildings. He wondered if the State would really come in with an incentive though. He noted his concerns with the inspection process, and believes that licenses will remain in place during an appeals process, causing problems in residential neighborhoods while appeals go on for months. He additionally stated that limiting STR's to downtown less affects housing stock for lower income residents. Discussion followed.

Mayor Valentino stated his concerns with the suggestion to limit or take away the ability of those who have invested in Geneva and improved housing stock to run Short Term Rentals. Limiting Short Term Rentals is not a fix or a housing or economic development issue. With the recent updates to the ordinance the City now has the ability to respond if there is a problem.

Councilor Petropoulos inquired about a landlord/tenant scenario where the tenant violates code and the Certificate of Occupancy is revoked. The tenant would have the right to appeal to City Court. Mayor Valentino steered the discussion back towards Short Term Rentals. Councilor Petropoulos reinforced that he supports steering Short Term Rentals towards downtown, but not limiting them to downtown.

Councilor Lavin recalled last meeting that Mayor Valentino said that it's all about accountability and enforcement, however, Councilor Lavin has concerns that it will take 6-8 months to shut down a problem, which the mayor pointed out is an assumption. The Mayor also noted that owners may also comply immediately.

City Manager Hendrix shared information provided by Rental Scape, noting that the majority of Short Term Rentals are compliant, and also noted that the most time and energy is spent on those who don't comply. The three strike system works well in most markets. Most owners, when they get that first phone call are ready to fix the problem, and are usually aware of it because the renter destroyed their property. Councilor Moracco agreed that any place with bad tenants or negative reviews won't be rented out anyway.

Councilor Brennan noted that we know from Rental Scape that there are 132 STR's in the City, and their collective value is \$2.3 million, he wondered what the breakdown of the parcels is. City Manager Hendrix shared that 73% are single family units. Discussion followed.

4. DISCUSSION ON DOWNTOWN PARKING

City Manager Hendrix began the discussion on downtown parking noting that occasionally there is interest in leasing or utilizing downtown parking, and there is currently a potential business looking for 150 spaces. Staff is looking to gauge Council's interest in charging for these parking spaces. In 2016 there was a downtown parking study that reported about 452 total spaces downtown for all businesses at that time. Historically the City has stayed away from selling or leasing spaces except in a few instances.

David West reviewed the request details, noting that a business is interested in leasing or buying 50 spaces for company fleet vehicles. David shared that there is no parking shortage downtown and that the vacancy rate is above average. The City does not charge for parking, it's managed by limits on time. He also noted that there are many residents and businesses downtown that would like to buy dedicated parking spaces, thus its important to realize that as this is addressed, consider overall policy. David shared that to add a parking structure downtown would cost roughly \$60,000 per parking space, and noted that there are less expensive ways to add parking, including a temporary structure that would be \$35-\$40,000 per space.

Councilor Petropoulos wondered if the company with interest in buying or leasing spaces was a not for profit. City Manager Hendrix said that it was, however, no business decisions can be made based on a business's status. He proposed offering underutilizing spaces, if they are willing to walk, has reservations about selling or leasing prime spots. Councilor Petropoulos also reminded the group of how difficult it is to enforce parking in the City.

Mayor Valentino recalled a developer who at one time proposed a multi use building with below grade parking, noting that for economic development's sake that's what the City needs, creative parking solutions. He additionally noted that there is plenty of parking right now, but the challenge will be that as soon as you sell or lease spaces to one entity you'll promote more problems with parking. The Mayor asked for a consensus from Council. Councilor Gillotte wondered if the company has a timeline for moving into the City? David West shared that it's someone who would like to be downtown, has identified a building that is empty, and looking for a parking spot for every employee and each fleet vehicle. They have reduced their current request to only ask for fleet parking. Fleet will be out during the day, stationary on weekends.

Mayor asked for roundtable. Councilor Brennan inquired about parking space inventory, and David shared that the City actually has 803 parking spaces, 551 are off street spaces. The vacancy rate is generally aimed at 80% full in modern parking. In 2016 the City was at 69% use of off street parking spaces. City Manager Hendrix shared that although the vacancy rate is good, people still want to park right outside of where they're going, not to walk from a vacant space in a less convenient location.

Councilor Brennan wondered if these spaces were all downtown, they are now. He also feels that a special arrangement would be nearly impossible to enforce, and as such, he wouldn't encourage a special arrangement. Councilor Levin suggested that if the business wanted to pay \$150,000 in lieu of taxes to use 50 spaces at the OEO property for now, you have an asset you can sell, and generate revenue for the City, and additionally get a tenant in the City that has a lot of people. Councilor Petropoulos explored the idea of employees buying lunch downtown, and is all in favor of underground parking. He wonders how much it would cost, how long it would take, and noted that the spots wouldn't even need to be plowed. He explored the procedure in the event that a fleet vehicle parks in a private spot, and the process to try to get someone towed in the City. He also explored letting them use a really out of the way parking spot, and having a walk to their location. Councilor Brennan suggested another empty space that isn't currently designated as parking, can it be turned into a parking lot? Legal would have to explore. Mayor Valentino's concern is that if one request is granted, another request will be coming right away. Councilor Levin explored the downside of a building sitting there empty, as an unused asset downtown, and instead we're not looking at the opportunity, we're looking at the negative, there 800 parking spaces downtown, and at any one time we're only using 300 of them. They need a place to put their fleet, but agrees with the Mayor and is not in favor of giving away parking spaces downtown. Councilor Gillotte shared that fleet cars for social workers at the VA are parked in a lot that is far away, non-preferred parking, and something to think about in this situation.

Mayor Valentino asked David West and City Manager Hendrix if they had enough direction, David observed that the direction Council offered is that they are not in favor of selling or specifically dedicating parking. Councilor Petropoulos added that he'd like a parking structure explored. Mayor Valentino advised that the cost would be around \$18 million. David shared that the 25 spot Main Street lot was included in the 2016 study, and City Manager Hendrix added to that, sharing that a capitol plan for that lot had been brought forward to the previous council, and could be brought forward again.

5. ADJOURNMENT

ACTION TAKEN by Clr. Gillotte; seconded by Clr. Petropoulos
MOVED THAT the meeting be adjourned at 6:22pm
MOTION CARRIED UNANIMOUSLY (7-2 Absent)

Nicole Tillotson

City Clerk