



TOWN COUNCIL
Town Hall Meeting
Cape Charles Civic Center
April 29, 2024
6:00 p.m.

At 6:00 p.m., Mayor Adam Charney, having established a quorum, called to order the Work Session of the Town Council. In addition to Mayor Charney, present were Vice Mayor Bennett, Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Also in attendance were Town Manager John Hozey, Planning & Zoning Administrator Katie Nunez, Police Chief Jim Pruitt, Officer Billy Lewis, Assistant to the Town Manager Julie Pruitt, and Town Clerk Libby Hume. The members of the public in attendance exceeded the maximum occupancy of the Civic Center. The doors were closed to any newcomers at approximately 5:50 p.m. As members of the public left the meeting, additional members waiting outside were invited to come in. There were 186 viewers on Facebook.

Mayor Charney welcomed the members of the public in attendance and provided the ground rules for the evening as follows: i) Speakers must be recognized by the Mayor in order to speak; ii) Speakers must have standing in Cape Charles to speak, i.e., residents, property/business owners, or other officials associated with the Town; iii) Only one person may speak at a time; iv) Speakers must wait to receive a handheld wireless mic before speaking; v) Speakers will only address the Mayor, Council or staff, not others in the building; vi) There are no formal time limits on speaker remarks, however, out of respect for all other speakers, comments should be as brief and to the point as possible, and if necessary, the Mayor may limit or consolidate comments; vii) Those who provided written comments that have been read into the record may speak in person as well, but they should not repeat the same comments already put in the record; viii) All speakers should be provided an opportunity to speak before anyone who has already spoken is permitted to speak for a second time; ix) There will be no applause/cheering or jeering during the meeting. Those who violate this rule will be escorted out of the building; x) Speakers will be respectful and refrain from abusive or offensive language; xi) Entry/Exit areas of the building must be kept clear at all times. Mayor Charney also asked everyone to silence their cell phones.

Councilman Grossman asked that based on the magnitude of letters received and the number of people physically in attendance, would it not be better to hear from the members of the public in attendance first? Councilwoman Holloway expressed her agreement in hearing the comments of those here in person before reading the submitted comments. The remainder of the Council expressed their agreement as well.

Town Manager John Hozey provided a brief background of the work done related to short-term rentals (STRs), adding that the information was on the Town's website and 100 copies of this evening's materials were also placed on the table in the back of the room. He went on to state that it was not our expectations that we would solve the problem tonight, but our goal was to listen to the comments, answer any questions, and to understand the issues. John Hozey proceeded to review his memorandum and went through each of the STR ad hoc committee's recommendations, which were reviewed by the Town Council and Planning Commission during the November 2, 2023 joint work session. (Please see attached.)

Mayor Charney opened the floor to the public.

Liz Pruitt, 1 Tazewell Avenue

Ms. Pruitt addressed the Council in favor of limiting STRs. (Please see attached.)

James Metz, 2 Randolph Avenue

Mr. Metz addressed the Council regarding whether STRs were a permitted use in the R-1 zoning district whether by-right or by conditional use. (Please see attached.)

Julie Jones, 538 Monroe Avenue

Ms. Jones spoke about what “sense of community” meant to her and the residents of the Town. (Please see attached.)

Clayton Newman, 10 Randolph Avenue

Mr. Newman stated that his mother had lived here for over 30 years, he had owned his property for 22 years, and moved here in 2000. He thought it was so important that the people in this room could have conversations on this topic and guaranteed that those here did not all agree with each other. He went on to state that he could point out as many “bad actor” permanent neighbors as those who were just visiting. He truly felt for residents who had bad experiences, but it was unfair to put all the negativity on STRs. We were not Hampton, Richmond, or Savannah. We did not have good healthcare nearby, a poor school system, no employers like the countless Fortune 500 companies in the bigger cities, and we had no amenities. STRs opened the door bringing in tax revenue, activity, places to go for dinner, etc. He thanked God that people could remain here due to the tourism industry. Years ago, people were asking how we could breathe life back into the town and half of the homes in town were for sale because many residents left. We had to be careful. We did not want to go back to that place and most people would not want to live in that town. People were spending \$1M+ on homes here, which was really a bad investment. He had rented out his house for a time until he could move here. People who rented his house 15 years ago now live here as well. He walks his dog every day and always sees members of the Town’s boards, Town Council, the Mayor, etc. On his block are 1 STR, 0 Bed &Breakfasts (B&B), and 5 residences. He has fun here. His house was full during the summer. His son and 6 fraternity brothers come here all with their own cars. People with second homes also do this. STRs cannot be blamed for all the issues. The Town was not prepared for the density. If it cannot be handled, maybe the Town should stop issuing building permits. He appreciated the opportunity to speak and just wanted to offer an alternative view on this matter.

Richard Burger, 550 Madison Avenue

Mr. Burger stated that he was speaking on behalf of a group of historic district residents who had been meeting regarding STRs. (Please see attached.)

Laura Weigand, 632 Madison Avenue, owner of Drizzles

Ms. Weigand spoke in support of STRS as a business owner in Cape Charles. (Please see attached.)

George Proto, 607 Pine Street

Mr. Proto expressed his agreement with others in supporting the regulation of STRs, particularly the STR committee’s recommendation to put a limit on the number of STRs, adding that this item was #2 on their list of recommendations indicating that they attached a high priority to it. (Please see attached.)

John Hozey explained that the STR committee did not prioritize their list of recommendations. He went on to address the requests to pause or implement a moratorium of STRs, stating that the Town did not have a mechanism to do so. The only requirement currently was that all STRs were required to obtain a business license. A moratorium was researched and the only thing the Town could do was to deny a business license which released them from the obligation to pay taxes. Pausing STRs was not an easy option. The Town was also working to update our zoning ordinance.

Ahren Foster, 125 Strawberry Street

Ms. Foster stated that her house was rented all year as a vacation rental. She was here this evening to hear everyone’s concerns as she did not hear about a lot of issues with her house. She asked why so many people in the community were leaving the Town and selling their homes. She and her husband come here with their children for multiple weekends. She felt that she was part of the

community and had conversations with her neighbors and friends. They were welcomed into their block, and everybody offered their assistance as needed, even picking up their packages. The sense of community was not lost because she rented her home. We all needed to talk to our neighbors and tell them our concerns. She was having such a different experience here and had a hard time understanding this. She was on the Vacation Homeowners Association Board which was started because of these types of issues. There were about 292 members of their group including homeowners in Bay Creek and relatives. She wanted people to understand that STR owners were not self-serving. If they could live here, they would. Unfortunately, they had to work. A few comments stated that STRs were for investments, but it was not a money-maker. As a group, the Vacation Homeowners Association, over the last 3 years, donated \$25K to this town. They organized First Day in the Bay and the Cookie Trail, and sponsored kids, cats, the fire department fundraisers, a July 4th movie, coat drives, house drives, Festive Fridays, etc. The group also developed the golf cart rules flyers (magnets and decals) since they saw this as a problem. She wanted to be here and hated that they're seen so differently. All STR owners talk about how they would be living in Cape Charles one day. The sense of community was not helped by signs. It was hard walking around the Town and seeing all these signs. She was sorry if someone had a bad experience with an STR owner, but they needed to talk to them. Most of the STR owners were not here to make money.

Jim Granger, 524 Jefferson Avenue

Mr. Granger expressed his agreement with those who had spoken in favor of limiting STRs. He did not want to get rid of them and he knew lots of owners who were good. The issue was more with the renters than the owners. There were issues with parking, trash, noise, lights, and kids driving golf carts. The Town was a ghost town in the winter. It was not just about the overall numbers, but some blocks have a higher concentration of STRs than others. From his house, there were virtually no residents until you got to Phil Goetkin & Diane D'Amico's house at 602 Jefferson. This was a problem. His property value went up considerably but meant nothing unless he was selling his home. It just resulted in his taxes going through the roof.

Elise McMath, 304 Tazewell Avenue

Ms. McMath stated that she was the fourth generation in the Town and in her house. She did not have a strong opinion, just some observations. We would all get a lot further if we did not try to isolate people who had real stakes in the conversation. We needed more of an inclusive argument to find common ground. She did not enjoy her taxes going up and would like to keep her house in her family. If it ever came to the point that she needed to rent her house as an STR, she would like the opportunity to be able to do that. She did not think she would need to, but if the taxes kept increasing, she might. If we all focused on what we had in common, we would get further and would not have polarized signs throughout the town.

Craig & Rita Sutherland, 649 Randolph Avenue

Mr. Sutherland stated that he and his wife had been full-time residents since 2000. He was opposed to setting caps on STRs for all the reasons addressed earlier. He had lived here for 24 years, but in case he had to sell his property, capping STRs would diminish the value of resale. He would not get as much for his home as an STR. Do not implement a cap in STRs, let the market decide.

Jon Dempster, owner of The Shanty

Mr. Dempster stated that he felt that STR caps and management were two different issues and should not be grouped together. Data was needed for the effects on market value for STRs and non-STRs. Research of other communities and their regulations also needed to be done.

Councilman Buchholz stated that was why no consensus was reached, adding that there had always been vacation rentals in Cape Charles, but not through online sites such as Airbnb or VRBO, etc. He rented his house in the past but felt it was better as a long-term rental.

Councilman Grossman stated that a study was done in Palm Springs, CA that looked at home values and all housing aspects related to that community, county, and state, and what happened when STRs were put in place. There was information out there and it would be discussed. John Hozey added that he was doing this along with his committee.

Susie Charnock, Realtor with Long & Foster, Senior Property Manager

Ms. Charnock stated that she was born and raised here and had been managing rental properties for 24 years. A lot of renters were returning visitors. Residents needed to talk to the guests and make them feel welcome, make them want to come back next year. On a personal side, when she was growing up on the shore, there were certain parts of Cape Charles where she was not allowed to go. Now she and her friends meet to have lunch and enjoy the Town. This would not be possible without STRs.

Cynthia Emrich, 420 Randolph Avenue, and a second home in Marina Village East

Ms. Emrich stated that she had submitted her comments via email and also included an article from the Harvard Business Review – Research: Restricting Airbnb Rentals Reduces Development. It looked at 15 metropolitan areas across the United States and found some impact in development and taxes from putting in STR restrictions. She recommended that the article be reviewed. (Please see attached.)

Councilman Grossman stated that he was also a researched and had already read the article and appreciated Mr. Emrich attaching it to her letter. 15 metro areas were selected, and the conclusion was that property values decreased. They talked in the billions of dollars. They encouraged STR development in distressed neighborhoods (Chicago) and addressed gentrification. They recommended capping STRs at a percentage of available housing capacity to encourage development of long-term housing along with STRs. It was an excellent survey going through different aspects.

Jeff Gray, 615 Monroe Avenue

Mr. Gray stated that he had worked on many Cape Charles Main Street (CCMS) boards. He appreciated Councilman Grossman's research, especially with the issue of affordable housing. For many of the attendees this evening, there seemed to be an indication that it was an "us or them" issue, which was inappropriate. It did not have to be good versus evil. He could not think of anyone who had done more for Cape Charles than Ahren and Ryan Foster. She was on the CCMS board and brought a breath of fresh air with her new vision, ideas and experiences. He applauded Ahren and anyone like her that made that investment in the Town. The most important thing was recognizing that the devil was in the details. Parking, occupancy per unit, noise issues, etc. were all important things. STR owners would welcome the chance to participate in coming up with a solution. He had a different view of the Council's ability to put a pause on expansion than John Hozey and asked the Town Council to consider what a pause would provide. It would provide an opportunity to review the studies out there. He knew there were a lot of communities, some like us and some bigger, that put a stop to STRs while they considered rules or to possibly not allow anymore in a certain area. All was appropriate for debate. Allow everyone to catch our breath and pause, while the Town Council, staff and other volunteers reviewed everything to develop rules and regulations. Anything that went on in Town needed to fit in the zoning. There was no specified right for STRs nor anything about them by special use permits. The zoning ordinance mentioned tourist homes which stated that a home could be rented out short-term with the owner onsite. Tourist homes were not STRs. Since there was nothing in the zoning ordinance allowing STRs, he felt that the Town had the power to stop them if they chose to do so. He was not saying that those in existence now should be stopped but asking the Town to put a pause on any new STRs. This needed to be done sooner versus later.

Christine Wengler, 218 Randolph Avenue

Ms. Wengler stated that she fell in love with Cape Charles 25 years ago. It broke her heart to see so many houses boarded up. She purchased her house in 2014 and rented it as an STR. At that time there were about 45 STRs. Since then, more have come and added revenue to the Town. People

started purchasing the old homes and renovating them. She owned Cowlicks and had 8 employees, which would not be possible without business from the STRs. STRs create jobs for businesses, housekeeping, trades, etc. Employment outside of Cape Charles was sparse. She agreed that parking could be a bit of a hassle but didn't understand why STRs were being blamed for this. There were lots of day trippers, campers from Cherrystone, etc. It only lasted for 12 weeks out of the year. People had expressed concerns for a lack of long-term housing. One of her employees recently needed an apartment and put a notice on Facebook and within 1 hour, she received a lot of responses, and found her an apartment in Cheriton. The STRs in Cape Charles had reasonable prices that allowed the renters to spend their money in our stores and restaurants.

Maria Rafael, 3 Colony

Ms. Rafael stated that someone asked a question about why people were selling their houses and moving and there were comments about tax increases. These two things went hand in hand. Has the Town looked into any tax incentives for the full-time residents? Tax incentives for those residents who kept the Town running during the off season, not the tourists or day trippers.

Councilman Follmer stated that he raised this possibility in his first year on Council during the budget discussion. In DC, he got about a third off of his taxes, but learned that the laws in DC were different than in Virginia. Virginia was a Dillon-rule state, and we did not have that authority from the state. John Hozey clarified that although the Town set its own tax rates, we did not have the authority to have different rates. His STR committee was looking at incentives for businesses and whether there were other things that could be done.

Councilman Buchholz noted that last year, the Town cut the personal property tax rate in half which benefited the residents.

Laurie Klingel, 622 Monroe Avenue, owner of Chuckletown Productions

Ms. Klingel suggested that if we try to look at the issues from our neighbors' perspective, we could find ways to make effective change. She and her husband settled in Cape Charles 22 years ago and have lived here full-time since then. She opened Chuckletown Productions in 2014, and two weeks ago, she opened an old-fashioned toy story in Town. She employed over a dozen full and part-time workers. Everyone needed the businesses in the town – Northampton County schools, Shore Soccer, Central Park, sports teams, oyster roasts, youth activities, community initiatives, youth in the community, etc. The businesses put out money. 58% of her gross revenue came in during 25% of the calendar year – from Memorial Day to Labor Day. A recent survey of businesses in Cape Charles showed that most businesses made 50% of their revenue between Memorial Day and Labor Day. Summer visitors were supporting our businesses. The businesses loved the full-time residents and loved to have them in our stores, but they were not paying our mortgages. It was okay to acknowledge that the summer renter drove the economy of Cape Charles' downtown. If summer rentals were curtailed, we would see businesses close or limit their time. She did not support limiting STRs, etc. She would support whatever her community brought to the table regarding golf carts, parking, trash, requiring contact information for STRs owners, etc. She had a home with one of the biggest STRs behind her and she just hears toddlers. She never had the types of issues mentioned this evening. She knew that it was happening but not in her area. There were as many full-time residents who did not have these problems as those who did. To curtail the STR business in Town would greatly affect us and the economic vitality of Cape Charles. Embracing tourism was a decision made by the Town and County. Tourism was the alternative to chicken houses, prisons and industrial companies that would pollute the bay, etc. The Town and County decided on tourism knowing the people would come here, spend their money, then leave. She understood that a lot of people who had been here a long time worked to make this happen. It did not happen overnight. She still had mortgages to pay, kids to put through school, taxes, etc. She would like to retire in Cape Charles, too. She would like to be part of the solution to this problem. She agreed with Jon Dempster in that the issues needed to be broken down and did not see where John Hozey and the committee could come up with the required data.

Nancy Proto, 607 Pine Street

Ms. Proto stated that she echoed Ms. Klingel's comments. There were a lot of people in attendance tonight, on both sides of the fence, to hear all the comments. She thanked the Mayor and Town Council for this opportunity for the community to address their concerns. She was raised in a small town in Delaware. When she and her husband talked about where they wanted to live, they knew that they did not want to live in New York. They wanted a place where their grandchildren could come and explore the area. Cape Charles fit all their criteria and they bought property here in 2000. When they moved here in 2011, there were many second homes and vacant homes. Now they were STRs. Some houses sold because the people could not afford to continue living here and others were sold out from under renters. Some residents moved outside the Town into Tower Hill, Kings Creek, etc. The sense of community seemed to be eroding. Zoning Ordinance Section 3.2 had already been discussed this evening, and information regarding the R-1 zone agreed with the strategic plan related to retaining the small-town character of Cape Charles. She agreed with the vision statement and agreed with the recommendations of the STR ad hoc committee. Many in attendance this evening agreed with these statements. She did not see how the Town's current position of not controlling STRs was consistent with the ordinances, community strategic plan, vision statement and the STR committee's recommendations. She knew the complexity of the issue and appreciated the work being done but requested that the Town Council pause issuing licenses to STRs until the matter could be fully addressed.

Donna Onley, 711 Tazewell Avenue, Fig Street Inn

Ms. Onley stated that she and her family purchased their property in February 2010 and had been full-time residents since August 2010, and wanted to reiterate Ms. Klingel's comments. When she moved here, Mason Avenue was full of closed-up buildings. Kelly's was the only one open 7-days per week. Many of our current businesses were not here in 2010. What we now knew as CCMS evolved from those endeavors. Much of what we had today would not be here if not for the Town Council, businesses and individuals, along with tourism. STRs would not be here if there was not demand for them and many businesses would not be successful without STRs. We needed balance. She did not support a cap on STRs or limiting the number of days an STR could operate within a year. STRs were businesses and should be managed as such. She did not believe there was a fire code exemption for age in relation to occupancy of a building. We should be concerned of the safety of our visitors, so would we not require annual inspections of an STR? She was originally going to suggest a moratorium, but she no longer supported that. She would never suggest that an STR be owner-occupied. That would make it a B&B. Someone made a comment that the market would dictate the number of STRs and she agreed, with the increasing interest rates, etc. the market would work itself out. Our community had changed and was very different from what it was in 2010. We were here today because a lot of people, many in this room, had invested, committed, paid their dues, etc., and we were now seeing the fruits of their efforts.

Councilman Grossman added that in his research of numerous ordinances, to be owner-occupied, the owner only had to be here for 183 days per year. They could leave for the summer and rent their houses and the property could still be considered owner-occupied.

Mark Guevarra, 212 Bay Avenue

Mr. Guevarra stated that it was possible to have high property values but not high taxes, adding that Florida has high property values and low taxes. Their revenue was met by a sales and use tax. Of every dollar spent, 13 cents went to the state, and 6 to 8 cents went to the county. He thought that sales and use tax was a way to increase revenue and keeping the taxes to citizens low. In Texas, they also had a sales and use tax holiday.

Councilman Buchholz noted that Virginia was a Dillon-rule state. We were regulated by the state and needed the state's permission to do a institute a sales and use tax, etc.

Kathy Weiner, owner of Cape Charles Vacation Rentals

Ms. Weiner stated that she lived in Cape Charles and ran a vacation rental business since 2010. She and her husband bought property in Cape Charles in 2002 and moved here in 2006. When they moved here there was nothing extraordinary about the Town. It did have a beautiful beach, and more importantly, the people here had warmth and offered their hospitality to them. They also moved here from New York. They took the leap of faith and bought here. They joined the Citizens for Central Park (CCP). If newer people saw the park as it was back then, they wouldn't want to be here. CCP worked hard raising money to make the park what it was today. She belonged to the Chamber of Commerce and helped with their progressive dinner fundraisers. Her husband also volunteered at the high school. She spent more time in the historic district than in Bay Creek where she lived. Regarding the "neighborhood feel," she felt that the whole community was her neighbor. She never lost that feeling of being everybody's neighbor, regardless of where in the Town people lived. She looked at the entire town as being one community. She was also a broker at Coldwell Banker and wondered if those who had moved here within the last 3 to 10 years would have considered moving here 20 years ago. Those who moved here 20 years ago were the ones who made Cape Charles what it was today.

Natalie Smith, 701 Prestwick Turn

Ms. Smith recalled the very first Festive Friday. She had looked at the Town and thought she had walked into a Hallmark movie and felt that this was her community. The Town had come a long way over the last 12 to 15 years. She thanked the local business owners for all they did during Festive Fridays so everyone could enjoy it. With Concerts in the Park, the Palace Theatre, etc. the Town was finally thriving economically, and people were able to make a life here. We all had tourism to thank for that. The cost of limiting STRs would be a cost that the community would regret. She was willing to wait in line for a pizza, etc. It meant that she had the opportunity to live in such a wonderful place. She also owned an STR for 11 years. During that time, she had only had to speak to one renter, and she had politely asked them to pipe it down telling them that she had to get up early the next morning, and they agreed. She often asked people how they found out about Cape Charles, as well as offering recommendations for what to do here. Visitors choose to come here and some of them invested in the Town and others spend their money then leave.

Councilman Buchholz noted that Prestwick Turn was the most densely populated for STRs.

Debbie Suddeth, 641 Randolph Avenue

Ms. Suddeth stated that she owned property in Cape Charles and shared her personal journey as to how she became a crazy STR owner. In 1996 she was taking a trip to New Jersey, and she liked to stop in small towns when she traveled. She drove into Cape Charles to see the main street. Halfway down Randolph Avenue she felt like she took a turn into the wrong side of town. They turned around and went home without seeing the main street. She came back here in 2007 and saw some progress and saw a vision. She picked up a newspaper and saw a house, an old funeral home, for sale and told her husband that they were going to buy that house. They went inside the house which was condemned and had holes in the floor. That was 641 Randolph Avenue and was now the prettiest house on the block. She listed it on VRBO and found there was a market for tourism in Cape Charles. Why did Cape Charles become rundown to begin with? Back in the day there were 11 hotels, saloons, grocery stores, drug stores, clothing stores, etc. When the Chesapeake Bay Bridge Tunnel opened, there was no longer a need for anyone to come to Cape Charles to catch the ferry to Norfolk. The Town was back with saloons and hotels. She would hate for history to repeat itself and for all the efforts to get squashed. She agreed with so many people and these things could be worked out. She had her neighbors here and after all these years of having her STR, had received no complaints about her rental property.

Diane D'Amico, 602 Jefferson Avenue

Ms. D'Amico stated that she did not hate STRs and did not know anyone who hated them. She did not hate the tourists nor the STR owners. What she did not like was that there were too many of them.

We needed to get together and talk things through to find a resolution that worked for all of us. She did not want to work on things “piece meal,” but wanted to go through the whole thing. She wanted a short moratorium. The Town had money since it sold the water and sewer plants. We needed to find a balance so we could all “kiss and make up.” In the meantime, we needed to be happy with the tourists, the number of STRs and the neighbors.

Roxanne Ward, owner of Buoy 56

Ms. Ward stated that she was born and raised in Cape Charles, and had seen the worst and the best, and wanted to remind all of what the Town was like before STRs came in. She worked at Jones Drug Store and always had the dream of opening a clothing store in Cape Charles. Back then it never happened. The Town had boarded up windows, empty condemned houses and she remembered when she was not allowed to come into Cape Charles since nothing good happened after dark in Cape Charles. No one in this room loved Cape Charles more than she did. She heard a lot tonight about caps, limits, etc. but nothing about the management of what he had. When decisions were being made, think about the amenities that brought you here and how they came about. They were not here prior to tourism.

Susan Carrigan, 530 Tazewell Avenue

Ms. Carrigan referred to Ms. Klingel’s comment about all she heard were little children. The house behind hers was a party house where people played cornhole until after 11:00 p.m., had wedding parties, etc. She went over there about 11:00 p.m. one night in her pajamas and the renters asked her if she wanted a drink. She had lived in Cape Charles for over 6 years and loved the town, she just thought that STRs needed to be controlled. Residents needed to know who to call when they had issues with an STR or its renters.

Kathy Glaser, 520 Randolph Avenue, owner of Alyssa House

Ms. Glaser stated that she was an STR owner which used to be a B&B. She had heard everyone talking about the excessive number of people here in the summer creating a problem. She had a home here for over 20 years and during that time, the single goal of all the Chambers of Commerce, the B&B Association, the Town Council, etc. was to increase tourism. Now that we had the tourists, we were now complaining and asking what had to be done to bring in families. How were we supposed to attract families, etc. if we limited STRs? Who would live in these houses if they were no longer STRs? Families could not afford to live here. We needed to look more closely at how to bring families back to live here.

Councilman Buchholz added that there were groups currently working on this issue. When he first moved here, the area had highly rated schools. His kids went to Broadwater then to boarding school. Education was a big issue. Once that issue was resolved, we would start to see families again.

Councilwoman Holloway stated that another market were DINKS (double income, no kids). The work-from-home people were untapped. CCMS was trying to tap into this market. There were some possibilities.

Councilman Grossman noted that another hurdle was the lack of affordable housing.

Phil Goetkin, 602 Jefferson Avenue

Mr. Goetkin stated that he had a “Limit STRs” sign in his yard. He was hesitant to put it there but the reason that he did was that he felt that STRs were becoming a problem in town. He had lived here for 10 years and for about 5 years, had an STR about 5 feet from his house. He never had a problem with the renters. That was really not the issue. Over the last 2 to 3 years, the exponential growth of STRs had really done nothing for the sense of community. There were still a lot of great people in town, but his point was the balance. If something was not done soon, the balance would become skewed. In some blocks, the STRs outnumbered the full-time residences. He wanted to be able to enjoy the entire year with his neighbors, not just 12 weeks during the summer.

Karen Zamorski, 22 Bridgeton Drive

Ms. Zamorski stated that she bought property here in 2005 and for the last 5 years was the executive director of CCMS. CCMS had worked tirelessly to bring tourism and also balance to Cape Charles. CCMS did not advertise Cape Charles during the summer and was trying to bring things to the community for everyone to enjoy throughout the year. Each year, the length of the shoulder season was shortened. The busy season currently ran from May to October, the Festive Fridays picked things back up in November/December. The comments/actions in this meeting scared her. She just listed her house as an STR and she was afraid that these issues would affect the value of her home. She was afraid that things would be carried further than they needed to be. She agreed that management was an issue. Changes would affect everyone's lives. We needed to be careful what we wished for.

MJ Golibart, 405 Madison Avenue

Mr. Golibart stated that he was married to Suzanne Golibart who was unable to attend tonight. He stated that what we had here was fragile and that there were no guarantees that those visitors who came here last year would come again. People came to Cape Charles for all the reasons mentioned this evening. Cape Charles was a great place to be. What made our community viable was tourism and that was fragile. He asked the Town Council to continue to encourage tourism, not discourage it, especially when half of the businesses in town survived on tourism. He and Suzanne lived by the pickle ball courts and the streets were taken over by pickle ballers. When they bought the land where they built their home, the court was a tennis court, but now was used for pickle ball. They loved living across the street from the park and had learned to embrace pickle ball. The park was awesome, and he knew people came here specifically to use the pickle ball courts. He did not think limits should be imposed on STRs, just like he did not think limits should be imposed on pickle ball. We all lived in this tourist town and had to grin and bear it. Sometimes it was good and sometimes it was not. What we had was extremely fragile. We needed to continue to encourage Southern Living, HGTV, Coastal Living, etc., to come here. He did not think the town would be at capacity until the population reached the numbers from the 1920s and 1930s. There were thousands of people here during that time. There were 3 car dealerships, movie theaters, saloons, etc. We had a long way to go before we were close to that capacity. We needed to embrace it and encourage Council to embrace tourism, incentivize STRs, B&Bs, etc.

Roberta Newman, 8 Randolph Avenue

Ms. Newman stated that she moved here 31 years ago and came here by accident. She worked for the Virginia Dept. of Education and came here to train for the afterschool programs. While she was here, she was asked if she wanted to stay in a hotel or in a B&B. She lived in Bethesda, MD at the time and saw a little old lady fighting traffic with her groceries and felt that she did not want to be like that at that age. She had been looking at different areas, then was sent here for a job. She opted to stay in a B&B and stayed at Chris Bannon's B&B. When she first pulled up at Chris Bannon's B&B, it was Memorial Day weekend and there were no lights on except his. She wondered if she should leave. She fell in love with it and the wonderful sea breeze that came in. She met some wonderful people at the training. People talked to each other here. Within 3 days, she had talked to a Realtor, Brenda Frazier who she met through Chris Bannon. Ms. Frazier showed her the house that she was living in today. She found out she could buy a house for a little over \$100K. From the moment that she set foot on the Eastern Shore, maybe there was something in the water, she had a feeling of community, a connection, and acceptance. She felt that we could bring everyone in this room together. When she moved here, there were only 2 houses on her street that had people living in them. She had never had great difficulties with STRs. There were only a couple of instances, and management of the STRs resonated with her. About 5 years ago, some STR renters were shooting off fireworks at about 10:00 p.m. and her dogs were shaking. She knew the Town had an ordinance that you could not shoot off fireworks. She walked down the street and asked the renters if they knew that it was illegal to shoot off fireworks and told them about her dogs. The renters had no idea and apologized. When she asked them to stop, they did. Renters were just as capable of being your friend and your neighbors. There were ways to work with people and manage things. Billy Jean Benson was another visitor here before she moved here. Now she was the president of the Northampton County Education Foundation who

just held a wonderful event at The Shanty raising thousands of dollars to help teachers at Northampton County Schools do more for the kids. Her organization, Go & Grow Eastern Shore, focuses on promoting the well-being of children, youth and families from 0 to 18. They had held 4 different forums and had developed a number of action-oriented projects and initiatives. They had to take a hiatus due to COVID. Their next forum was scheduled in person at the Eastern Shore Community College on May 30th from 8:00 a.m. to 4:30 p.m. It was free and everyone was invited. We needed to work on keeping the spirit of community.

Walter Bronson, 515 Tazewell Avenue

Mr. Bronson agreed that tourism was fragile and felt that tourists came here for the same reason that we all did. We had a great beach, but he felt that it could get overwhelmed with too many people. He knew people loved the beach and staked out their spots at the crack of dawn. That was not the type of community he wanted to live in. He did not think people would continue to come here. He moved here for the walkable town – being able to walk to the restaurants, beach, etc. It was not a walkable town if you could not get into a restaurant. It was enough to make him go home or go out of town to eat. In the winter, the residents got to enjoy the town. People said that it was only 12 weeks, but it was a lot more than that. He felt that 90% of the visitors were great people. When you had 4 STRs within spitting distance from your front porch, you would experience some problems. He had spoken to the renters, and most were agreeable, but some caused problems and he did not want to call the police. He felt that the town was reaching its saturation point and he did not know if the growth in STRs was sustainable. He did not know about the claim that STRs were what brought Cape Charles back. There needed to be a balance. In 2017, there were less than 30 STRs and in 2018, there were less than 50 in the whole 23310 zip code. In 2021, there were 250 STRs and now we had over 500.

Councilwoman Holloway stated that in 2017, there was not much holding STRs accountable. The Town made a huge effort between 2016 and 2017 with staff searching Airbnb, VRBO, etc. to locate them. Having been through that, she felt that the numbers being reported were up due to staff's efforts in finding them and holding them accountable.

Mr. Bronson added that from the time that he bought his home 3 years ago, there had been a huge increase in STRs and did not think Council could argue that there had been a tremendous growth in STRs. At some point, we would reach the saturation point. What would happen when people stopped coming here? The STR prices would have to be lowered and would attract frat parties, etc. If it got worse, people would lose their STRs since they could no longer afford their mortgages, and things would spiral the other way. He just wanted a community with neighbors. He was advocating for the cause and felt that there be some kind of density cap on STRs. He disagreed about the businesses that were doing well in town. He did not think we needed more STRs so we could get more t-shirt shops. We needed a balance and he was asking the Town Council to find it.

Councilman Buchholz stated that the beach was not here when he first moved here. In 2008, there was a lot of beach traffic, but not from STRs. They were from Northampton County and the 2 campgrounds that each held over 2K people. The Town had come a long way and we needed to be careful about what was said. Lots of the Festive Friday visitors were locals from all over the Eastern Shore and had nothing to do with STRs. He had been working for over 20 years to get the Town to where it was now. About 20 to 30 people worked for decades to get us here.

Ms. Kathy Weiner stated that she looked online and there were only about 300 STRs in the area, nowhere near 500, and was unsure where Mr. Bronson got his information. She agreed that management was a big issue. Chuck Little was her partner in her vacation rental business and they both lived here. She did not see how someone could properly manage their STR if they did not live here. She also wanted to clarify that the houses she managed did get inspected annually by Code Official Jeb Brady and she preferred that annual inspections remained a requirement.

Jeff Klingel, 622 Monroe Avenue

Mr. Klingel stated that he was a 25-year resident and the owner of multiple businesses. He expressed his agreement with his wife, Laurie Klingel, Donna Kohler, MJ Golibart, etc. in that management was the key. Finding the best management techniques was the key to finding success. He agreed with some of the others who felt that there would be a market correction and did not think there was a need for limitations on STRs.

Edward Wells, 202 Strawberry Street

Mr. Wells stated that the Town's information dated April 10, 2024, showed that there were 213 STRs in the historic district.

Councilman Buchholz stated that the numbers were not accurate as there had been a big push from people getting their business licenses in preparation of the proposed cap on STRs, but they were not currently renting their houses.

John Hozey reiterated that currently the Town did not have any STR regulations.

Ms. Susie Charnock interjected that she managed about 200 properties, and they were required to have annual inspections, and after each guest turnover, safety inspections were done on each property.

Mr. Clayton Newman stated that during the last joint work session, Councilman Follmer made a great point about digging into the data. All he heard tonight were anecdotal stories. We needed the data and relevant information to address the behaviors. So many people who bought here rented their properties to help defray costs until they could move here. About 850 golf cart inspections were done annually, but the Town had done nothing to designate golf cart parking spaces or areas. So many things could be done to help alleviate parking issues.

Ms. Donna Kohler stated that the businesses held a roundtable discussion last week. The sense of community involved all of us every day STRs got a bad rap and got blamed for everything. There were just as many bad drivers, full-time residents who broke the golf cart rules, the trash can rules, and blocked parking. STRs were not the problem. We needed to work together and live together. Many of her guests fell in love with the town and became full-time residents. It was all part of the cycle, and the market would take care of itself. We could not blame STRs for every problem.

Ms. Diane D'Amico stated that we needed data, not stories. We needed to delve into the data to make decisions together. We needed to hire a consultant to help us get through this together to take care of the problem.

Councilman Grossman stated that the Council had received over 30 comments which were submitted in writing. They had been reviewed by the Council and he asked that they also be provided to the STR committee and that due to the time, we forgo reading them tonight.

John Hozey added that there were a handful of letters received at the last minute which were not in the packet provided to Council. They would be added to the file and all of them would be included in the minutes and provided to the STR committee.

Councilman Follmer thanked everyone for attending tonight. He could not say that he was looking forward to tonight's meeting, but a lot of good points were made, especially about STR management. The comments affirmed why we all moved here. There was a strong sense of community in this room. After hearing the discussion this evening, he did not think that we were that far apart. He thanked everyone for their participation, adding that he had a good feeling about living here.

Councilman Buchholz stated that some questions were received for Council asking about the upcoming election and who was running for reelection. He stated that he was running again, but Vice

Mayor Bennett and Councilman Follmer were not. He also added that STRs affected his business indirectly.

John Hozey stated that the STR committee was meeting next week and again the following week. He needed to obtain more guidance from the Town Council regarding the process moving forward. A Town Council work session was scheduled for May 2nd for discussion regarding the STR process. More information would be disseminated to the public.

Mayor Charney thanked everyone for their attendance and participation.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to adjourn the Town Council Town Hall Meeting. The motion was approved by unanimous vote.

The Town Hall Meeting was adjourned at 9:02 p.m.

Mayor Adam Charney

Town Clerk

FORM LETTER:

Cape Charles Town Council
c/o Libby Hume, Town Clerk
Town of Cape Charles
2 Plum Street
Cape Charles, VA 23310

RE: Short-Term Rentals

Dear Town Council:

My name is Gina Butler and I own Beach Market, located in the Town of Cape Charles. I also live in Bay Creek. Beach Market has been in operation since 2022. I am aware that short-term rental regulations are an ongoing discussion item and I wanted to share my support of short-term rentals as a business owner and resident in Cape Charles.

Short-term rentals and the summer season allow my business to continue its operations and without a thriving tourism economy, it is very likely that I would not be able to operate a business in Cape Charles. Our business currently closes for the months of January, February, and March due to lack of foot traffic. We depend heavily on tourism and short-term renters. In fact, we cater to those families who are renting a house and want to prepare food at the home. We know that Cape Charles serves as one of the primary economic hubs for Northampton County.

For 2022, Northampton County tourism economic impact data shows:

- Tourists spent \$65.9 million dollars in Northampton County
- Lodging was \$24.2 million of these expenditures and was actually down 14.2% over 2021
- Food and beverage was \$19.2 million of these expenditures
- Retail was \$4.7 million of these expenditures

This data is from the Virginia Tourism Corporation. 2023 data will be available this fall.

Short-term rentals are vital to the tourism economy, and I would ask that Town Council and Town leadership look to address the specific issues at hand such as parking, noise, and occupancy limits instead of limiting short-term rentals altogether. With updated regulations, short-term rentals can continue to help Cape Charles thrive as a community for both residents and visitors. Please do not hesitate to reach out if you have any questions.

Sincerely,

Gina Butler, Owner, Beach Market
Gary and Jamie Mangee, 524 Madison Ave-The Salty Sea Shack
Todd Bricken, 219 Mason Ave-Cape Dunes
Kathy Weiner, Owner, Cape Charles Vacation Rentals & Destination 23310
Clelia Cardano Sheppard, Owner, Lemon Tree Gallery & Studio

Dear Mayor and Town Council:

My name is Beth Ann Sabo and I co-own Peach Street Books, located at 401 Mason Avenue, Cape Charles. PSB has been in operation since 2018. My sister Carol Sabo and I purchased the property and building in 2015 and successfully pursued a historic renovation. We work hard to maintain a community and family environment at the bookstore – for example, we share our space with community groups and we host several “Books-for-a-Buck Patio Sales” annually, and donate a portion of these sales to a selected non-profit that serves the Shore. Every event is well-attended by residents (from town and county) and visitors.

As we’ve seen in many other beach/vacation/resort communities, short-term rental homes seem to have gotten their share of negative attention recently. I’m writing to show my support for short-term rentals.

As a business owner, this housing option for visitors allows our business to support itself and even evolve into what our local community needs. A thriving tourism economy depends on a regular influx of visitors that appreciates what a town like Cape Charles (and a rural county like Northampton) have to offer.

Every beautiful area with a strong sense of self-identity struggles with how to handle vacationers/visitors – and “new money” changing the face of “the way things used to be.” I imagine if we talked to long-time residents of Durango, Colorado, Bar Harbor, Maine or Corolla, North Carolina we’d hear the same complaints: visitors drive property prices (and taxes up), take our parking spots and make a bunch of noise. They’d say “All these people have ruined what we loved about our town – we can’t even use the beach without finding someone didn’t pick up after their dog and now someone is renting umbrellas and tents and it’s a MESS! And the golf-carts!” You get the picture. Cape Charles is just experiencing the result of catastrophic success, to put things into business terms.

Well, here’s the thing. All those are behaviors we can regulate. We can have beach ambassadors tell people where to put their trash and no dogs on the beach except certain times and you have to pick up (great job, shout out to our ambassadors!). We can charge businesses that regularly use the beach/beach front a fee and require clean-up daily. We can regulate the inconvenient loss of our parking spots by limiting the number of vehicles per short-term rental, issue decals and require that extra vehicles are parked in a town lot (we must own a lot somewhere) for a minimal fee (that’s money!). We can crack down on speeding and kids driving golf-carts and noise. (I think we need to hire more police officers, come to think of it.)

The thing we cannot regulate is how wonderful Cape Charles is. It’s an attractive nuisance at this point. J Who WOULDN’T want to come here for a week?

Carol, Ed (our brother and store manager) and I come from lower middle class parents who couldn’t have afforded to buy a beach house, or rent one for a month (and miss work). Limiting short-term rentals discriminates against families like ours. These families just want a break! It’s so selfish (and a bit cruel) to tell people they can’t come because they can’t afford to stay a month. That’s just not nice.

I’ve wandered a bit and haven’t even started in on how unconscionable it is that we don’t provide sufficient restroom facilities for our visiting families. So, I’ll close with this: short-term rentals provide a seasonal, predictable influx of visitors that spend money in our town so that smart businesses can survive the off-season. Let’s figure out how to regulate what we can and stop thinking we can tell people they shouldn’t visit and love our sweet town and unique part of Virginia.

Sincerely,
Beth Ann Sabo

Co-owner: Peach Street Books, 401 Mason Avenue, Cape Charles
Property owner: Lot 67, Marina Village East, Cape Charles

Dear Mayor and Town Council :

Cape Charles Main Street has been asked by our business community what our stance is concerning Short-Term rentals. We want to make it known that:

"Cape Charles Main Street's Mission is to strengthen our community through economic development and to creating a supportive environment for entrepreneurs and innovators that drive our local economy. Short term rentals have long been, and will continue to be, an economic driver for our community and play a critical role in advancing the tourism facet of Cape Charles' strategic plan.

CCMS recognizes the importance of preserving the character and charm of Cape Charles for residents, businesses and tourists alike. And we support ongoing endeavors to reach a solution that meets the needs of all".

CCMS appreciates you adding our stance to the response on the short term rental discussion.

Sincerely,

Karen Zamorski, Executive Director, Cape Charles Main Street

Dear Council Members, Town Manager, Mayor and Citizens of Cape Charles,

My name is Lenore DeBellis, a property owner and a small business owner within the town limits of Cape Charles. I wanted to write to you and voice my concerns over the discussions about limiting or capping STR's (Short Term Rentals) within the Town borders.

I would first like to tell a short story about how my husband and I found Cape Charles for the first time. In 2012 we wanted to take a last minute trip with our blended family of five kids. I went on to a website called "Homeaway.com", today it is known as VRBO. We found a house large enough and extremely affordable in a town called Cape Charles. We had never heard of it but for the cost of the house we thought it was worth a shot! As many of you know, in 2012, post Summer Season, Cape Charles was not exactly thriving and I thought at first I had made a terrible mistake. But as we ventured out we were welcomed by this beautiful little community in a way we had never experienced. We fell in love and for the next five years we would return, renting STR's as we searched for what we hoped could be a second home and our foot in the door of the place we felt certain would eventually be our home. Our story is not unique.

It was an STR that led us to Cape Charles and since then we have made it our home, we have opened businesses and we have devoted ourselves to being good neighbors and members of our community. When asked what it was about Cape Charles that drew us in we would have to first say the incredibly welcoming community, the opportunity it provided to inspiring entrepreneurs and the excitement felt by everyone that something great was happening here.

I am saddened to see a shift in this beautifully welcoming town. To see signs on lawns basically telling visitors that they are not welcome. But I don't want this to be about emotion, too many decisions are guided by personal emotion.

As a business owner, I can say with certainty that without the visitors to Cape Charles I would close my doors. I am currently in my second year of business at Edible Picasso, located at 10 Strawberry Street and although I have the most wonderful and supportive group of full time residents as customers it's simply a numbers game and there has never been enough full time residents (not in 2012, not pre-Covid and not today) to sustain the year round businesses that have come here and

reshaped our main street and more are coming! If we start to see failing businesses, and storefronts begin to shutter, a new story will be told.

As a homeowner of 633 Jefferson Ave. I am opposed to interfering with a process that should right itself. The increase of new STR's has already impacted occupancy rates in existing STR's and just like in any free market, nightly rates will be adjusted to remain competitive. As these rates are adjusted so too will be the home values and what will be seen as reasonable prices on houses. This is a much more organic approach to see home values tempered rather than make rash decisions that could see them plummet.

I would also like to advocate for all the other entrepreneurs and industries that have been created here in Cape Charles and its surrounding areas. The house cleaning services, car detailing, handymen, pet sitters and grooming, contractors, landscapers..many started by people who have been here for far longer than most of us.

In closing, I understand that there are valid concerns such as parking and being good neighbors, but let's look at these issues individually and come up with solutions for them by working together. As for the fear of Cape Charles losing its charm...I am afraid that the actions out of fear of that is actually what is causing it to happen. Let's all unite over our love of such an incredible town to call home.

Lenore DeBellis

Owner, Edible Picasso, 10 Strawberry Street

Property Owner: 633 Jefferson Avenue

As a full-time resident and homeowner, unable to attend the meeting on the subject, I wanted to express simply that those of us with 'Limit STR' signs on our lawns are simply trying to focus more immediate attention on an issue affecting our quality of life, particularly with regard to parking.

There's been some acrimony, and I want to point out the signs do not say "Eliminate' STR, but 'LIMIT". In defense of STRs: A short list of the recognized benefits of STRs would include the obvious revenue they bring in occupancy & meal taxes, crucial support of our Main Street shops (many of which are owned by friends of mine), and the less-easy-to-quantify vibrancy visitors contribute sharing by our holidays (like July 4th), engaging in town events (like parades), and participating in our social activities (like the Library and concerts in the park). Our visitors are more than just wallets on legs, and the Town would be a sad shell without them.

But...our Town would also be a shell without fulltime residents, who are often aggravated by visitors' conduct. While the vast majority of our tourists are kind, respectful, and considerate people who delight in nature and relish visiting a safe and child-friendly town, there are obvious, glaring, and frequent exceptions. Visitors bring noise, and overflowing trash cans. They disrespect town property, climbing on the Neptune statue and kicking soccer balls inside the gazebos, breaking the railings. They drive golf carts on sidewalks, in the Park, on others' private property, and park on lawns. Almost daily, they let dogs run in the dunes, and mess in front yards, on the beach, and in garden beds, without cleaning up. They cause 2+ hours waits at eateries, which have staffing problems because of...wait for it...not enough workforce housing in town. The irony is rich.

While listing the problems, though, it's important to say that in my experience my STR-owning-friends and neighbors are sincere about trying to address problems, manage their guests behavior, and maintain excellent relations with the neighborhood. These are the tradeoffs to acknowledge: prosperity for community, and vibrancy for tranquility. A balance needs to be struck, and nothing good is free, but there are genuine, quality-of-life repercussions for us that can be addressed if the Town is willing.

Moving to one specific problem:

The biggest bone of contention -by far- is the parking problem. Many larger STRs have 4, 6, or even vehicles, usually large, associated with their rental. There seems to be no limit applied here. I have watched my 80+ year old neighbors walk in the rain half-a-block because there was no parking outside their home, and that's just wrong.

In conversation with my neighbors I have heard many plausible, reasonable suggestions, including:

- capping the number of STR's as a percentage of each block's number of houses,
- having a lottery for STR permits
- capping the number of visitors permitted in any STR
- capping the number of vehicles permitted in any STR
- requiring all STRs to provide a number of off-street parking spaces, as a percentage of their listed occupancy, and require guests to use them first.
- creating a system of parking with
 - 2 free, permanent car decals for each home (handicapped and golf carts are excepted), plus
 - 2 free hangtags for family and friends to use, permanently associated with the home, and
 - the ability to acquire STR-visitor hangtags for a nominal fee per vehicle from the town, valid for a week.

All these suggestions have issues of practicality, economic impact, and enforcement to consider, and I am sure there are many more ideas out there to be shared. There is no magic solution and no solution will please everyone, but reasonable people, in conversations of good will, can compromise.

This letter is not meant to endorse any single idea, but rather to point out that action needs to be taken. The prior formation of the ad-hoc committee to make 'recommendations,' unfortunately has the feel of a yearslong delay-and-do-nothing strategy, although I'm sure it was not intended that way. Town residents feel like their parking concerns are being back-burnered. This lack of serious effort by the Town to prioritize an equitable mitigation strategy is how you got a grassroots movement putting "Limit STRs" signs on their lawns in an attempt to focus the Town's attention.

Thanks for listening, and I look forward to hearing soon of concrete action from the Town that balances quality-of-life with economic vibrancy.

Libby Gray, 522 Tazewell

On March 14, 2024, in siding with a plaintiff who sued her neighbor and the town's zoning board for the operation of a short-term rental in a residential district, the [Land Court of Massachusetts ruled](#) that a dwelling used primarily as a short-term rental cannot be allowed to operate in a residential district because it is a commercial enterprise not expressly permitted.

The court went on to state that when a property serves as the owner's permanent home, then the owner can operate a short-term rental as a secondary use in as much as the primary use for the property is as a residence not a commercial enterprise.

While a ruling from the Land Court of Massachusetts probably has no application in Virginia, I think its understanding of the purpose of "residential zoning" is applicable. Residential zoning is intended to protect owners of property in districts zoned residential from the encroachment of commercial enterprises that bring noise, light, traffic, transients, etc.

If R-1 zoning is to have any meaning in Cape Charles, the [zoning ordinance](#) must be brought into compliance with the designation's intent, "to stabilize and protect the essential characteristics of the district, to promote and encourage a suitable environment for family life where there are children, and to restrict all activities of a commercial nature as described in Section 3.6-A of this ordinance, known as Commercial District C-1." The fact that short-term rentals are not listed among the restricted commercial enterprises listed in Section 3.6-A doesn't matter. They constitute a commercial enterprise.

In my view, a cap on short-term rentals is a vehicle for bringing the Cape Charles zoning ordinance back into compliance with the intent of residential zoning. The ideal ordinance would not prohibit short-term rentals in Cape Charles. It would 1) permit short-term rentals in residential districts when the primary use of the operator's property is as the operator's residence. It could also 2) permit short-term rentals in districts designated for commercial and residential use.

In the interest of full disclosure, during the Great Recession, my wife and I turned to short-term renting to help finance the renovation of our house. We were grateful for the opportunity to do so. We were relieved when the renovations were over, and we could reclaim our house as a second home for our own personal use.

Given the intent of residential districts, and my full disclosure, I offer the attached comments on the TOCC STR Regulation Committee Recommendations.

TOCC STR Regulation Committee Recommendations

11/02/23

- 1) Effective date for all recommendations is January 1, 2025. This allows time to fully vet and develop these concepts, without them impacting operators during mid-season. It also provides additional time for those engaged in the development of an STR to potentially finish what's already been started
[I need more information.](#)
[As was anticipated, delaying the implementation of the "final" cap until Jan. 1 2026 \(12 months after the adoption of a cap in Jan. 1 2025\) has caused some people to apply for an STR permit "just in case". How will an STR permit be revoked when there is no evidence that STR operations have commenced?](#)
- 2) Set an initial cap on STRs at the number being operated per zoning district (or by village in Bay Creek) on the effective date. Establish the final cap for STRs (based on those actually operating) twelve months after the initial cap is set (to weed out those who grabbed a permit before the deadline, but who did not operate an STR). Note caps are by number, not percentage. This preserves all existing uses, while decreasing the overall density as additional construction occurs
[I need more information.](#)
[The impact of STRs is related to the percentage homes on any given block that have been converted to short-term rentals. The total number for Cape Charles may be judged reasonable, but if you live on a block in the Historic District where the majority of the residences are used as shortterm rentals, wouldn't you be justified in arguing that your block does not comply as an R-1 residential district?](#)
- 3) Future changes to STR caps, or to establish caps in districts initially without STRs, would require a zoning text amendment for the affected district; enabling the Planning Commission and Town Council to evaluate the merits of such changes against the greater needs of the Town at that time
[I fully support this recommendation.](#)
- 4) The established cap in the R-1 (historic) district may be increased for specific instances where significant investment is committed to rehabilitate a dilapidated (as determined by the Town) dwelling
[I object to this recommendation.](#)
[This provision is the how the camel of short-term rentals got its nose under the zoning tent. The Town has benefited from the renovations that are being funded through short-term renting. These units will be grandfathered in with any revision of the zoning ordinance. But the number of dilapidated houses are few. The market for residences \(primary and second homes\) should be able to address dilapidated houses.](#)
- 5) STR's will require an annual permit that will be applied for with their business license. Permits once issued (valid for one year), will automatically renew each subsequent year upon approval of the associated annual business license. Any break in business license coverage for a period of

one year, or if a STR remains vacant or not used as a valid short-term rental for a period of one year, or if a STR remains vacant or not used as a valid short-term rental for a period of one year, will constitute termination of the permit; requiring reapplication the following year, and going to the bottom of a waiting list (if any)

[I need more information.](#)

[I need more information about how the failure to 1\) operate the STR for a period of a year or 2\) renew the business license will be monitored.](#)

- 6) STR permits in good standing are transferable with the sale of the property

[I STRONGLY OBJECT TO THIS PROVISION.](#)

[It would literally make the STR permit a "fixture" of the house. It would prevent the real estate market in residential districts from returning to a district where the primary use of the property is as a residence not a commercial enterprise. As one resident noted, "It would result in a two-tiered housing market: one for houses with STR permits, and another for houses without. Houses in the former category would command higher prices than those in the latter.](#)

- 7) There will be no STR registry. STRs will be tracked via the business license database. Business license applications will be expanded to collect additional information. This database will include points of contact for all businesses, to include 24/7 contacts for STRs. A listing of all businesses (grouped by type), with their contact information, will be posted on the Town website

[I support this recommendation.](#)

- 8) Occupancy will be determined by the square footage of bedrooms, as already defined in ZO Article II; exception: children under the age of 10 are excluded from occupancy count

[I support this recommendation.](#)

- 9) Initial inspections will be required for all STRs to confirm occupancy limits and other safety/building code requirements. Annual recertifications of these requirements will be made by the property owner at time of business license renewal. Reinspection will occur upon a change in property ownership or management entity. The Town reserves the right to inspect any property to investigate potential violations, with adequate notice

[I need more information.](#)

[I would like to know if there will be a process by which a neighbor could report evidence that the STR is accommodating more than its occupancy limit, which, after repeated reports, would lead to a re-inspection.](#)

- 10) An STR permit will be suspended for the following calendar year (to minimize impacts on reservations in the current calendar year), if any of the violations described below occur. An applicant with a suspended permit will be required to reapply once the suspension period is over. Depending on the availability of permits under the applicable district cap, this may cause the application to go to the bottom of the waiting list.

Qualifying violations include:

- a. Failure to pay business or real/personal property taxes
- b. Failure to pay transient occupancy tax
- c. Cancellation of insurance and/or failure to notify the Town of insurance cancellation
- d. Operating without a business license
- e. Owner or management entity knowingly allow exceedance of occupancy limits
- f. Failure to adhere to safety/building code requirements following reasonable notice
- g. Falsifying annual certifications or resident parking applications
- h. Applicable zoning violations
- i. Failure to provide responsive contacts (as determined through Town investigations)

Note: individual nuisance, noise, or parking citations will not be counted against the STR owner/operator, but issued directly to the offending party

I support this recommendation.

- 11) Violations will be determined by the Treasurer, Zoning Administrator, Code Official, or Police Chief as appropriate. Appeals may be made to the Town Manager, who will conduct, or cause to be conducted, an investigation. The Town Manager's ruling, based on the investigation, will be final

I support this recommendation.

- 12) There are no additional parking requirements for STRs. Instead, we will add to ZO Article IV, a new section for On-Street Parking within the R-1 District designating parking areas for permanent residents of the Town. The following requirements will apply:
- Applicable only to permanent residents of R-1 (homeowner or long-term renters) who physically reside in the R-1 District for a minimum of 185 days per year
 - Allow up to two parking spaces along the primary residence property frontage (for developed lots only) not to exceed 40' in length. If there is a driveway, only one on-street parking spot will be available (maximum 20' in length)
 - Curb will be identified as permanent resident parking (painted green or other color)
 - Permanent residents of R-1 must apply for the specific number of spaces they require (up to two) and receive stickers for their vehicle(s). Copy of vehicle registration will be required for each spot requested
 - This does not constitute reserved parking for any resident; a permanent resident displaying a valid sticker may park in ANY area designated for permanent residents
 - Signage and implementation requirements will need to be further explored with VDOT
 - An application for a short-term rental permit will prompt a review of off-street parking designations for that property
 - All other areas not designated for permanent resident parking will be open parking and available on a first come, first served basis, to all part-time residents, visitors, or STR guests

I need more information.

I've been in resort towns where permanent residents apply for a parking decal and visitors, (renters or friends visiting permanent residents) are given a placard to place on the rear view mirror). Why was this scheme rejected as a way to provide relief to permanent residents living on congested streets (e.g., around Central Park and on blocks with a large number of STRs)? Signs would designate these streets as "restricted parking". To park on these streets the vehicle must display the appropriate decal or placard hanging from the rear-view mirror that allows the vehicle to park on that street.

- 13) Other miscellaneous STR provisions:
- There are no restrictions on the types of homes that can be used for an STR (i.e., single family, duplex, condos, etc.)
 - Except for existing legal non-conforming uses, STRs are prohibited in accessory dwelling units or accessory structures

I object to this provision.

This provision contradicts the principle that properties whose primary use is as the owner's permanent residence should be permitted to operate an STR in a residential district. I think the rationale is two-fold: 1) the permanent resident would be onsite to control nuisance behavior, and 2) the income from operating an STR may make it possible for the permanent resident to keep up with rising real estate taxes.

- There is no requirement for owner occupancy or residency on site

I object to this provision.

Requiring "owner occupancy or residence" to operate an STR within a residential district would retain existing and attract new permanent residents while providing accommodations for tourists.

- No simultaneous STR rentals under separate contracts within a single residence
- No Subleasing
- If within an HOA, proof that HOA has been notified

- g. No commercial events or gatherings
- h. Signage will comply with newly updated zoning requirements
- i. No person or entity may have an ownership interest in more than five STRs

I OBJECT TO THIS PROVISION.

Owning more than one STR is clearly a commercial enterprise and contradicts the intent of the residential zoning designation

- j. Refuse requirements: one and two bedroom units require one trash receptacle; three or more bedroom units require two receptacles

James Metz, 2 Randolph Avenue

Dear Mayor Charney & Town Council:

I have been coming to Cape Charles since 2004, first as a day tripper, then a renter, then a home owner who rented during the summer months and then a permanent resident. I have been following the conversation regarding Short Term Rentals and parking. It makes me sad to see the polarization on the topics and the rampant rumors in this small community known for its hospitality. The town has emerged from its decades long dormant phase and blossomed into a vibrant quaint, historic beach community through the millions of dollars that home owners, business owners and investors have put into the town...not to mention the money spent on lodging, food and shopping by the tourists. In addition, thousands of volunteer hours and money have gone into the events, activities, and opportunities that now define the Town as "the place to visit." Growth happened quickly and appears to have gotten ahead of guidelines and policies for strategic planned growth.

While healthy discussion needs to happen, I would hope that the Town would take a slight pause to put together data that would be distributed through a multi-pronged communications plan. Conversations and decisions can't be made without quantitative data. This data would then guide the decisions which should be holistic and strategic. Without a plan and implementation strategies, the Town is just playing "whack a mole." There is always a ripple effect when a pebble is tossed into a pond.

My position is that there should be a strategic approach to the challenges and the opportunities that the Town has based on data, open conversations and compromise.

Sincerely,

Nancy S. Perry, 332 Randolph Ave.

My name is Frank Giardina & reside at 301 Madison Ave. I spend 50-60% of my time in Cape Charles and do not use 301 Madison Ave as any type of rental.

I wanted to voice my opinion on STR's. I have read the Short Term Rental Regulations section of the Town website as well as talked with many people who live in Cape Charles on a full time & part time basis.

My family has not experienced any negative issues that have been brought up in the reports. Visitors & tourists who are staying in Cape Charles have been friendly & respectful, and enjoy the beach, restaurants & shops. The vibrance & energy that the tourists bring are what attracted my family to make our investment in our property that was once an eye sore, to a beautiful home that we now enjoy. Our home is surrounded by STR's & we never have any issues with the families that stay in the homes. The owners of these STRs have made it a point to get to know us and to provide us with their contact information in the event there would be a need to talk with them.

When we first found Cape Charles, everywhere we looked were run down homes & empty unkept lots. Within 5-6 short years, we are now seeing a beautiful revitalization of these old run down

homes & new homes built on the lots. This revitalization is a direct result of the visitors & tourists to the town because the property owners are seeing a very vibrant and up & coming town flourishing before their eyes. Business owners are creating new and better restaurants and shops. And non business owners are buying and renovating old homes to bring them back to their original look. This would not happen if it were not for the tourists having a place for their families to stay.

Some of what the reports are saying is that STR's put strain on the town resources, but if each of the homes that are being used as an STR were to become the home of a fulltime resident, this would put even more stress on the town resources as the home is being used 52 weeks per year. This would create the same issues with parking, water & sewer usage.

As a matter of fact, we have witnessed fulltime residents & their guests be part of the problem. The rules & regulations along with Town laws need to be equally enforced to fulltime residents & tourists alike. I do not think the Town needs to create a cap or restriction on STR's, but to work with the owners of the STR's to find a mutually benefit way to exist. Even though we do not plan to ever use our property as an STR, I would not to be shut out of doing so if our circumstances ever changed.

I have heard that some fulltime residents feel that STR's have negatively impacted them, but I have spoke to many fulltime residents that feel the same as I do and enjoy the STR's & tourists who stay in the homes.

Thank you

Frank V. Giardina, 301 Madison Ave.

Comments Regarding TOCC STR Regulation Committee Recommendations.

Regarding "Note that the rationale to consider some type of limitation or regulation of STR activity was not only driven by our desire to protect the character of our residential communities, but also to address concerns of stress on the Town's infrastructure. In other words, the town is only so big, and can only accommodate so many people before saturation of public infrastructure occurs. Staying ahead of this curve is unquestionably in the Town's best interest."

This indicates that new properties are being built to create STRs, rather than use of existing properties. Because if it is existing properties then why would they be adding load to the infrastructure? But then it goes on to say "The established cap in the R-1 (historic) district may be increased for specific instances where significant investment is committed to rehabilitate a dilapidated (as determined by the Town) dwelling".

If in fact the problem is with infrastructure then whether it be STR or permanent resident then stop new build permits. The infrastructure issues will be a problem whatever is built.

#6-

While I am not particularly happy with the idea of capping the number of Short Term Rentals (STR's) in general, I am strongly opposed to the provision of allowing an STR permit to convey with the sale of a residence having been operated as an STR. The new owner should get in line to request a permit to operate an STR. Otherwise, those houses that have been operated as STRs will be STRs permanently, thereby freezing the market, and making it harder for the market to adapt to changes in people's vacation tastes. It (allowing the permits to convey with the property) also creates a 2 tier housing market which unfairly impacts those who do not have the permit. Houses will be worth less if they do not have an STR permit with it.

#12-

A)- how is residency of +185 days proven?

B)- how is off street parking / driveways defined?

#13

B)- Disallowing accessory units / dwellings to be used denies permanent residents the opportunity to take advantage of the tourism industry that CC has developed and seems short-sighted at best.

I would also challenge the committees to tell me if, while Covid create an anomaly of high rentals, if the number of actual rentals year on year since 2020 is in fact increasing? Last year seemed significantly quieter than the previous 2-3 years.

Nowhere in the recommendations is any plan to deal with the lack of affordable housing for "locals" and as seen above allowing permits to convey disadvantages locals trying to sell their properties with no permit.

Iain Goodwin, 203 Madison Avenue

Members of Town Council, Mayor, and other staff members

My name is Kerry Shackelford and I live at 527 Jefferson Ave.

Thank you for scheduling this meeting and allowing all the towns homeowners to provide some input on this important topic. I wanted to first pose some questions and then add a few comments.

1. Why do we include Bay Creek in this discussion? I understand the community is part of the town, but do they not have the ability to self-regulate? I think they are pursuing that as we speak.
2. One of the concerns that is listed as a reason to limit STR is a strain on town resources. Can someone elaborate on just what resources those are? Along with that is there any analytical data that supports the strain on those services? I know this was brought up when the \$4.00/night tax was introduced, so the STR's are already paying a specific tax to offset that strain.
3. Do the number of STR's shown on the list accurately reflect the number in active use? Can the number that are paying TOT be separated from those that just raced to get licensed when caps were being proposed?

Comments:

Those of us who currently own Short-Term Rentals in town would only stand to benefit from a cap on any new STR's coming online. This, however, would seem to have a significant impact on three other stakeholders in the town. First, the current level of growth from rehabilitation and construction would almost flat line. Without the fuel of STR dollars it is hard to think we would continue to build \$6-800,000.00 houses in town. Second, the current owners of homes who do not choose to become STR's will undoubtedly suffer a loss of value when their homes are sold. Without the added value of revenue from STR it's hard to think of a sale price of \$500.00/square foot. Lastly Business will stagnate and growth in any business is key to success. When the limit of visitors to the town is capped retail businesses will reach a point where there is no growth potential, and new businesses would be difficult to start. We already have several empty storefronts in town and with a cap on visitors that would have little chance of change.

Parking, this seems to be the biggest complaint that has some potential for a viable resolution. I would propose an idea. Give each home, not just "full timers" 1-2 dedicated spaces depending on the availability of off-street parking. We all have the same right to want to park in front of our homes. Denote this by signs, paint, or other marking, paid for the owner. This would include the house number. Policing would be by the owner who would report unauthorized parking in their space to CCP. There is parking for many many cars in town if we make everyone aware of the restrictions. Washington can accommodate a multitude of cars as can most of the cross streets, nectarine, plum, etc. Spend some money to denote parking spaces so everyone can recognize them. It would also seem that one of the objectives of the town should be to add public parking and improve the existing parking lot on the south side of Mason.

If the cap is placed on STR's I would be willing to bet that, just like in Bay Creek, there will be a huge surge in numbers of STR's as owners race to get their homes licensed before the cut off. Perhaps

the more logical approach would be to solve some of the concerns that can make a difference for those who need them, like parking and let the market solve the rest. There is already an oversupply of STR's in town and soon it will take a toll on some owners and the market will self-correct this in a natural way.

Thank you for your willingness to open this forum and hear from members of the town.
Kerry Shackelford, 527 Jefferson Ave

Received over the weekend, and Monday, 4/29:

[I've talked to John Hozey about this one. It will be read last, and time will be allotted for the Mayor and Council to respond.]

Is the "re-election" slate of council members available for publication/discussion?

If so, we would like each council member who is running for re-election to answer the following questions:

1. Do they own and rent out STR properties?
2. Do they own a business that profits from increased STRs in CC?
3. Do they support implementation of Caps or other methods to "limit" the number of STRs in Cape Charles?
4. Do they have ideas for encouraging full time ownership/families to move to Cape Charles?

Thank you! From 2 VOTING residents of CC.
Lisa Guzzardo and Chip Moore, 156 Sunset Blvd

My name is Katie Austin, and I am a full time Cape Charles resident here in the historic district. I am writing to voice my dissent regarding putting limits on short term rentals. Short term rentals are an integral reason why Cape Charles has maintained and improved upon its small town charm and its reputation as being a great place for families to spend time together. Tourism has enabled our community to hold fun events not only during the summer months, but the shoulder months as well.

There are legitimate concerns regarding parking that can be dealt with by managing the rentals better without resorting to such drastic measures such as capping STRs. I do not think it is wise to rush into this without thoroughly thinking through the long term consequences that this could have.

I believe the tourists are generally very respectful of our town. They keep our shops and restaurants bustling and vibrant.

STRs help preserve Cape Charles' quaint character, as this is the main reason people choose to spend their vacation here and not some other beach town. Tourism has not lessened the sense of community we share with so many other full time residents. We know many of our neighbors, and on any given day we run into many friends when we are on walks or at restaurants.

STRs will naturally cap themselves through market forces. Our lovely town is better than it's ever been. Let's not rush into something we may soon regret.

Sincerely,
Katie Austin, 506 Nectarine

My name is Tom Austin, and I am a full time Cape Charles resident at 506 Nectarine St.

I am writing to express my support of STRs and the contribution they bring to the community. The contribution of tourism to Cape Charles' renaissance cannot be overstated. I talk to many Eastern Shore residents that grew up here and tell me stories of how their parents wouldn't let them come the beach when they were growing up due to safety concerns, stories of rampant drug use, dilapidated houses, etc. Short term rentals are an integral reason why Cape Charles has maintained and improved upon its small town charm and its reputation as being a great place for families to spend time together. Tourism has enabled our community to hold fun events not only during the summer months, but the shoulder months as well.

There are legitimate concerns regarding parking that can be dealt with by managing the rentals better without resorting to such drastic measures such as capping STRs. I also have question about the day trippers on the summer months. I do not think it is wise to rush into this without thoroughly thinking through the long term consequences that this could have.

I believe the tourists are generally very respectful of our town. They keep our shops and restaurants bustling and vibrant.

STRs help preserve Cape Charles' quaint character, as this is the main reason people choose to spend their vacation here and not some other beach town. Tourism has not lessened the sense of community we share with so many other full time residents. We know many of our neighbors, and on any given day we run into many friends when we are on walks or at restaurants.

STRs will naturally cap themselves through market forces. Our lovely town is better than it's ever been. Let's not rush into something we may soon regret.

Sincerely,

Tom Austin, 506 Nectarine

My name is Randolph Smith and my wife and I have owned second home at 3 Mason Ave for over 35 years now. While I agree with most of the TOCC recommendations I am adamantly opposed to the town taking away my property rights and lowering our home value by restricting potential conversion to a STR.

On my block there are 4 houses, 2 are STR's, 1 is a hotel. I have had no issues with any of them in regards to short-term rental guests. While I do not plan to convert, should I be the only one on the block to possibly be denied the right to convert my house to an STR?

We all know the reason our property assessments are so high is because people are buying these houses for STR's.

My other questions are as follows:

- 1) Does everyone who wants restrictions understand that they will be giving up their future property value?
- 2) Will the town and county compensate us for the lowering of our property values because it will always be a single-family dwelling with no chance of becoming an STR on the resale market or will we have to hire attorneys?
- 3) What mechanisms will the town and county put in place to distinguish between an STR and a private residences' value when property assessments are done? Also can refunds be expected?

Please read this into the record and distribute to any of the decision makers.

Randy Smith, 3 Mason Ave

My house on Tazewell Avenue has been home to five generations of my family. I appreciate this opportunity to offer my perspective re short term rentals,

During the "resort years" I have met and welcomed visitors to our town and it is great to see familiar faces of adults and growing children who happily return for another CC summer. It is a

pleasure to see families who walk to the beach, enjoy the park - or the "school grounds," as I and my children knew it to be. What happy memories then and now as I and my grandchildren continue to enjoy activities in this lovely area. (Thanks, CC Citizens for Central Park!)

Thanks to the ad hoc committee as it continues to work on recommendations for short term rentals. Not knowing these committee members, I would like to know the diversity of the group. Those of us not on the committee might have helpful suggestions. Will we receive another survey regarding their conclusions?

I have read the letters included in the minutes of March's council meeting. It was good to see my concerns presented to council. I agree with and so will not repeat their many valid comments. Limit short term rentals. We have reached a saturation point.
Etta K Pruitt, year-round resident, 3 Tazewell Avenue.

My husband and I discovered Cape Charles in 2019 and fell in love with the town. It's a perfect place for our family of 5 to spend quality time together and hopefully for my husband and I to retire. Unfortunately, covid caused prices to soar and we have had to rent our home to supplement the cost of building as our home was completed in 2023. While the town does get busy during summer months, I am going to address a few key points that have been raised. I am concerned limiting rentals will negatively impact the town and ultimately resources, amenities and property values.

"The rentals place strain on the water, sewer and other resources" If my family of 5 were to live in the house we built full time, there would be 3 cars parked on the street. We'd be using far more water and sewer etc than we and our guests do from May through September.

"Rentals are destroying our beautiful town" The rentals provide the revenue for the town to thrive. Tourism is a large part of the town's revenue. Vacationers are the ones buying items from our shops and eating out regularly. This supports our local businesses and allows them to be successful and creates jobs in our community. The town has done a wonderful job preserving the architecture and small town feel by supporting small businesses rather than chains.

Capping rentals or eliminating them will negatively impact our local businesses and job market for the eastern shore. I'm concerned the negative attitudes of a few residents have caused friction in our community. The survey that was sent out with our property tax bill did not show a clear desire for cap on rentals...even amongst full time residents. This further supports that there may be a "loud" cry from a few people who don't represent the majority. The "limit STR" signs are unneighborly and send a message to visitors "we don't want you here." I would not be surprised if this does not turn off visitors and less people return for vacation next year. While this is likely the goal of those posting the signs, it will impact tax revenue and the town will not be able to afford the maintenance and beautification like it has in prior years. Where will the money come from to maintain the park, tennis courts, trails etc? Sharing the town for 3 months a year so we can all have access to the amenities the remainder of the year (paid for with tax revenue from vacationers) is a small inconvenience.

I have heard people referring to the negative impact of rentals in places like Savannah Georgia. Please compare apples to apples. Savannah is a city with an airport. It has many hotels for vacationers and other forms of revenue (even a university) aside from tourism. We do not have that luxury in Cape Charles. Other similar communities such as Folly Beach have tried to limit/ban STR's and the impact has been negative.

Lastly, I think this will sort itself out. The rental market already seems saturated. Supply and demand will eventually cause a limit in STR's. The same will happen with new businesses starting up and being successful. I think we need to focus on trying to maintain the small town feel without

suffocating growth. We need some level of growth year after year for the town to remain a place people want to live, retire, or vacation.

Alexis DiMaio and Guy Schettini, 622 Jefferson Avenue

My family and I have had the pleasure of enjoying Cape Charles since 2004. We vacationed and stayed in a STR until 2011 when we purchased a 2nd home (condo) to offer as a STR, and successfully did so for 10+ years until moving here full time in 2022. As a business owner we also support multiple events for the town through the year.

We are continuously and completely dumbfounded at any of the raised concerns over STR. Sadly, all growing small towns will ultimately have this type of rhetoric raised by those that simply do not understand basic economics.

With 20+ years of visiting and nearly 15 years of owning here, we have seen enormous prosperous change for Cape Charles. This town had economically died since the CBBT was built, and began to start to come to life after Bay Creek was developed. 20 years ago Mason was predominantly boarded up, broken window glass retail stores, a few antique shops, and a very small handful of stores. With Kelly's being the only place to eat. The towns resurgence is 100% because of tourism which is 98% built on the backs of those that invested in Cape Charles years ago and now recently to offer STRs to create tourism and create a thriving economy in what once was a dead economic town. Every single NEW owner of Cape Charles stayed in a STR. How else did they come an visit? It's ironically absurd that they complain now that it takes a little longer to get their pizza during the summer season that funds the beautiful town they now live.

For those that do not understand that the small rise in tourism for 8 weeks and nominal rise in the anchoring months around summer, here is the simplistic view for understanding. Prior to the tourism boom that started when Bay Creek was built, but took over 10 years to get going, there were NO floating docks at the marina, NO buildings or structures on 90% of the harbor side of Mason Ave, there were NO free summer in the park concert series, there were NO theater plays funded by local business for residents to perform in, NO Cape Charles hotel, NO Northampton hotel, NO brewery, NO distillery, NO Brown Dog, NO Shanty, NO Deadrise, NO KCoast, NO Putt Putt, etc. 75% of the restaurants did NOT exist. 75% of the retail shops on Mason also did NOT exist. Furthermore, the amount of taxes raised by the town from all of the real estate development and investment by those of us who have put our wallets out to fund Cape Charles has been a massive boom for the town itself.

If STRs do not continue as they have up until now ALL of this will suffer, the town will suffer, real estate will drop, values will drop, shops will close, jobs will suffer and go away. I hope that the handful that do not understand this very simple economic concept have an opportunity to actually meet all the owners of the small businesses that make their town what it is that they enjoy today, so they can explain how their trivial complaints are driving to limit STRs and negatively impact the town and its economy.

Blaine W Smith, full time resident, 701 Prestwick Turn

I am writing to express my concern with all of the commotion going on with signs and residents supporting short term, rental restrictions. As many may or may not be aware of there are several cities and towns similar to Cape Charles that have tried restrictions and rental caps and it has negatively impacted the economy of these towns (folly beach and isle of palms to name 2).

Some important statistics the group should be aware of..

- Folly Beach implemented a short-term rental restriction last February and has seen a 25% drop in property values (according to MLS) in first six months since the law's passage
- REAL ESTATE WEEKLY REPORTED THAT SHORT-TERM RENTAL RESTRICTIONS HAVE CAUSED A NOTABLE DROP IN TOURISM. THIS DECLINE IN TOURISM RESULTS IN REDUCED REVENUE, AFFECTING THE RANGE OF SERVICES THAT LOCAL MUNICIPALITIES CAN PROVIDE. When local governments, (in this case Isle of Palms), face substantial reductions in tax revenue due to policies like short-term rental restrictions, they often seek to compensate by raising other taxes, such as sales and property taxes, for their residents. ** Are full time residents willing to increase their tax rate to compensate for this??

In addition to property values and tax revenues, a rental cap and other restrictions DISCOURAGES investment and new business (or even current). Who would want to invest in a place that can't grow at all? Forget new businesses (because there's nothing in it for them) .. how would current businesses stay afloat with rising costs if they have no potential to grow? People already complain about prices.. can you imagine then?

Yes can parking get annoying on 4th of July? It's a great town that is filled with a ton of OWNERS. We all want to be here to enjoy. Just like any other city where there is street parking, it's not the most convenient but you deal with it to be in a city or 'town'.

The town has done a great job keeping the charm and vibe of Cape Charles. I have no doubt this will continue. We as residents need to adapt and work together, not discouraging people from visiting there very town we all love.

That does good for no one here.

Sincerely,

Christina Goodpaster, 615 Jefferson Ave

As a second home owner at 205 Peach St for close to 40 years we have no intention of turning our home into a STR. Our family enjoys the beach, boating, fishing etc way too much to rent it as a STR. We also have friends who own second homes and do not rent their homes plus friends who do rent STR's and we enjoy seeing them. However to limit STR's would violate current residents and second home owners property rights without compensation as their home values would decrease verses STR's. As a long time owner I do not know what the future holds for my heirs if STR restrictions are placed on my home with it's loss of value compared to SRT's increased value.

If a ban is placed on future STR's the only compensation for the loss of value for non-STR's would a reduction of real estate taxes both county and town but I can never see that happening. Like it or not Cape Charles is resort town and what is happening here happens in all resort towns so please do not ban future STR's !

The genie is out of the bottle!

Stephen and Catherine Smith, 205 Peach Street

My name is Ellen O'Brien, I purchased my home at 631 Monroe Ave in 2014 and I have lived in Cape Charles full time since 2017, celebrating 10 years in July!!

I am a homeowner, a landlord, a landowner, and business owner all in Northampton County. I am a former member of the Cape Charles Library Board and Cape Charles Town Council.

I am writing to communicate my thoughts on the status of Short-Term Rentals (STR) especially as it pertains to the historic district.

I assure you, I am not opposed to STR's, and those residents I have listened to and spoken with, are also NOT opposed to STR's.

It seems there has been some confusion allowed to fester. One that has pitted businesses and full-time residents against one another with the FALSE assumption that the full-time residents are against Short Term Rentals.

This is simply not true, and only works to prevent the evolution of a solution.

We need to sort out the impact of Short-Term Rentals. The impact on businesses and homeowners alike.

However, an accurate understanding of the number of STR's in the historic district is needed to gain public confidence moving forward.

Trying to discuss and come to agreement on regulations for STR's is difficult when there is not a data base to rely upon for real time, accurate information.

- For this reason, a **TEMPORARY** pause on NEW STR permits effective August 1, 2024, is requested.

During the **TEMPORARY** pause, I'd suggest the Town work to establish:

1. Establish FTE benefited position for a STR Coordinator paid for by STR fees.
2. Create an STR Registry: Per Virginia Code 15.2-983 Cape Charles has the authority, through ordinance to create a STR Registry.
3. Iron out the quantity, associated fees and renewal of business licenses; using a density approach, to avoid entire blocks of the historic district from becoming consumed with STR's.
4. Eliminate the transfer of STR business license upon the sale of property. Reducing the value of my home, **if** I were to sell, only works to encourage me to rent my home before deciding to sell.

This would be a great first step towards working together to identify a solution.

Ellen O'Brien, 631 Monroe Ave

I am a property owner and active business person within the borders of the Town of Cape Charles. Over the last 35 years it has been my occupation to attract new investment and residents to our lovely town, and Short Term Rentals are a major contributor to our tourism and real estate value-based economy. I believe that the effort to limit STR's is a solution looking for a problem and threatens to kill the goose that lays golden eggs.

The prospect that our infrastructure cannot handle the extra visitation from STR popularity, I think, is a subterfuge. Our sewer and water system certainly can handle twice the load of the present demands. Six miles of curbing in our town can also handle much more parking than the current demand. These concerns are not valid!

The tourism economy of Cape Charles requires overnight accommodations, and STR's are the most available resource to meet those needs. If you want a regulatory and enforcement nightmare that will be almost impossible to manage, and if you want to curtail tourism and the associated business income, then by all means adopt the proposals set forth before Town Council by the committee studying STR's.

I recommend that if parking is your most pressing need, then address parking but please do not regulate STR's as you propose with inspections, permits, licenses, terms limits, etc., etc.

David L. Kabler, Associate Broker, Blue Heron Realty Company, 113 Mason Ave

Responses to CC Regulation Committee Recommendations

Recommendation 1

We object to *any* caps leveled on STRs. Our position is that the market should and would decide the fate of STRs in Cape Charles.

Capping STRs will have negative impacts on

- **Property values**—Current residents and absentee owners who do not have or desire an STR, will lose home value in any sale, whether dictated by choice or circumstance.
- **Future residents**—Those who desire permanent residency in Cape Charles, perhaps for career changes, business investment, retirement, or other, but who need income from an STR in the interim to realize their goal, will lose opportunity. If all STR licenses are taken, relocation to Cape Charles might not be tenable. Many of CC's current residents are here because income from an STR made delayed relocation possible.
- **Town businesses**—Capping STRs will have a chilling effect on both current businesses and future business investment. How many and what kind of businesses are needed to support both permanent residents and visitors? How many visitors do we currently have? How many are too many? How many businesses would close if visitors were limited in number? We contend that permanent residents of CC, with a limited number of visitors, could not possibly support existing business. More data are needed to predict the economic impact of STR caps.
- **Northampton County**—Any reduction in revenue from Cape Charles' tourist industry would have a deleterious impact on Northampton County and beyond.

Recommendation 7

This recommendation needs clarification. Why would there be no STR registry? Given the intense interest in the issue in Cape Charles, we believe citizens have a right to know who owns STRs. The contact posted on the Town website would most likely be a property manager, real estate company, or individual designated by the owner. *Making STR ownership readily available to citizens is critical to identifying any conflicts of interest among factions in Cape Charles.*

Recommendation 13-B

As owners of an accessory dwelling unit (ADU), we believe that restricting us to long-term rental is unfair.

Summation

As resident homeowners in the Cape Charles Historic District for more than 23 years, we have two huge fears for the town:

One, that regulations designed to “preserve/protect the town’s sense of community” will have the effect, idiomatically, of “killing the goose that laid the golden eggs.” The concept of “sense of community” is nebulous and highly subjective. While we respect differing opinions among our friends and neighbors, we do not understand how vacationers become the enemy of “community.” In a previous submission to the town, we offered many ways “community” develops, irrespective of a locale’s transient population. Also, it is good to remember that Cape Charles residents have the town basically to themselves throughout the off-season, six to eight months of the year.

Two, that Cape Charles will become, essentially, a retirement community.

The economic and social conditions in Cape Charles in 2000 are well documented by citizens in town at that time. Revitalization came about with investment by visionaries. The conversation about STRs divides people into two camps: those who love the life brought to town by our visitors . . . the vibe of a beach town . . . weddings, reunions, and other celebrations . . . young people . . . kids, with little squealy voices . . . bustling shops . . . mini golf . . . a candy shop . . . ice cream shops . . . food trucks . . .

Those residents who bought homes here after the renewal of Cape Charles found an idyllic small town, their “Mayberry.” Some of the loudest voices against STRs are those who came here, post-career, looking for peace and quiet, the calmness and security of a small town, neighbors across the fence, and the natural, serene beauty of the Chesapeake Bay and the Shore. One person, who strongly advocates against STRs, declared that she doesn’t “need a candy shop . . . or a surf shop, K-Coast . . . or all of the other shops . . . and the breweries and mini-golf.”

We remember Cape Charles before all those shops and amenities, when Rebecca’s, the only restaurant downtown closed within six or eight months after our arrival, and not a single shop in town sold swim wear. Cape Charles is now a true wonder as a vacation destination; we have told the world about it, and now a segment of our population wants to keep it to themselves—their own little beach town—where inhospitable lawn signs tell vacationers they are not welcome.

Now, as much as ever, Cape Charles needs visionaries.

Respectfully Submitted by Craig and Rita Sutherland, 649 Randolph Avenue

[Please direct question to Mr Paul Grossman.](#)

Will you please review and give your interpretation of the provisions of SB 544 and HB 1461?

Thanks

Dr David Dalessio 14252 Hungars Beach Road and property at 216 Mason Ave.

Hello, my name is Amanda Budenos and I own and operate Heavenly Scent Cleaning Services by myself. I have been in business for about 10 years in Northampton County. I started with a few clients, and it didn't take long for my business to take off. I have seen the growth that Cape Charles has been through.

I was born and raised right here in Cape Charles, and it is a complete honor to have such a successful small business here. If it were not for the vacation rentals that I clean and partly manage at times I know for a fact I would not be where I am today. Due to the vacation rentals, I have been able to purchase my first home. I beg of you to not get rid of them. I am totally understanding that there should be a cap but please do not eliminate them.

I wholeheartedly appreciate everything that everyone does in town. Thank you for reading my letter. I was not able to attend the meeting in person due to a family crisis.

Amanda Budenos, Heavenly Scent Cleaning Services

I would like to address the STR recommendations of the ad hoc committee that town manager Hozey put together to address this issue. The committee’s recommendations put together totaled 13 recommendations. I tend to agree with most of these, however, I do believe they need to have some revisions and tweaking. I think tonight some recommendations will be put forward that Mr. Burger and others bring forward are good. The proposals that concern me the most concern Density and Occupancy. I feel these are at the center of the whole issue. Let’s face it, these STRs are businesses in an R-1 residential zoning district. Therefore, there has to be new planning and zoning ordinances enacted. I think the point of saturation of STRs has peaked. We need to control the amount of people per unit and the total number units. We need to do this NOW! I believe that STRs have diminished my and my families’ quality of life here in Cape Charles. I realize that there are pros and cons on both sides of this issue. They probably will be discussed here tonight. For me the cons outweigh the pros. Examples: Less affordable housing and work force housing, less full-time rental units, higher real estate assessments translates to higher taxes, more wear and tear on our infrastructure, less school enrollment, not enough full time citizens to fill jobs and volunteer work

needed in town. This all leads to losing our small-town fabric of life. For these reasons the permanent full-time residents of Cape Charles should have the scales of balance tipped in our favor.

Thank you,
Edward and Diane Wells, 202 Strawberry Street

We bought our home on Tazewell Ave. in 1991. Cape Charles was a sleepy little town back then and that is the reason we purchased a home here. Our home is a true second home and we have never rented it.

From what I have read, the short term rentals are becoming overwhelming. On our block alone, I can count seven STR's.

I do not want to see more STR's than we do owner occupied or true second home residences.

Is it true that many of the town Council members own STR's? If so, those people should not be the decision makers on this particular topic? It appears to be a conflict of interest.

Our police department I am sure can certainly be overwhelmed during the summer months when so many tourist crowd into our town. Is it feasible that we can support a larger police force to support the influx of people? And who will pay for it?

It does not seem unreasonable for the town of Cape Charles to limit the number of STR's. Many towns have implemented a cap to protect the vested interest of residents as well as the quality of life.

We hope that a cap on STR's will be implemented.

Thank you for your time.
Lori and Don Blewitt, 206 Tazewell Ave.

Short Term Rentals are the life-blood of a summer tourist town. The Eastern Shore Tourism Commission encourages visitors to come to stay, play, shop and eat! The businesses in Cape Charles depend on the influx of tourism dollars.

I would encourage the efficient and reasonable management of components relative to Short Term Rentals. A serious look at town-wide parking opportunities, enforcement of rules related to boats and trailers and the noise ordinance could be addressed and resolved.

Regardless of whether a homeowner has a full-time neighbor or not, there is a profound sense of community in Cape Charles. Numerous local events such as Concerts in the Park, Fridays at Lemon Tree, Blessing of the Fleet, Love Run, Festive Fridays and many more encourage that sense of camaraderie.

Reducing, limiting or capping the number of STRs is not the solution. Even full-time homeowners may strain the available parking in the residential historic district during the season when families and friends visit.

By opening our doors to guests and enterprises, Cape Charles has been resurrected and continues to thrive. Arts Enter has been in Cape Charles since 1997 and has experienced the lifeless cycle of depressed tourism. In its past, Cape Charles has been full of life, boasting three theatres, multiple shops, gas stations and a thriving business center.

After the ferry and railroad stopped and the bridge was built, Cape Charles was forgotten. The decline of visitors followed halting business and prosperity. Do we want to keep the doors open or close them again?

Clelia Sheppard, Lemon Tree Gallery

New comments received after 4/29, 2:30 p.m. file to TC

Thank you for scheduling the town hall meeting to allow further input on the STR discussion from the community.

I understand that STRs can cause some concern for some of the residents in the community, especially during the summer months. As business owners in Cape Charles, I would like to share some thoughts on the positive benefits of STRs for AJ's, the Town of Cape Charles and the workforce on the Eastern Shore:

~ 44% of AJ's revenue was realized from Memorial Day to Labor Day in 2023

~ 86k (\$86,000) was paid to the Town of Cape Charles in the form of Meal Tax for 2023

~ 32 Employees making a wage, more than half are full-time status of 30+ hours per week

STRs contribute to the livelihood of our restaurant, the Town of Cape Charles and the employees that depend on us for a fare wage. The 44% of revenue we make in the short summer months allows us to continue to employ our 18 full time team members at the same wage status and weekly hours in the "off season." Where others are reducing and or laying off their workforce, we are able to use the revenue from the summer months to keep them whole at 30+ hours.

The Town of Cape Charles has benefited from previous STR bookings through the TOT (Transient Occupancy Tax) and Meals Tax collected monthly. This money allows the town to staff accordingly with police officers, provide public events such as music in the park, etc.

STRs are critical to our business surviving in a Town that we have grown to love since 2008. We are in favor of STRs remaining without a so called "CAP" and "transferable permits with the sale of the property."

We are also in favor of some form of management of the said STRs as it relates to required annual permits, inspections and business licenses.

Thank you for taking the time to read how limiting STRs in Cape Charles would significantly impact us, the Town of Cape Charles and our team.

Lori Peters, AJ's Bar & Grill

My name is Marty Mayer, property owner of 428 Plum Street. I have spent the better part of the last decade researching and publishing countless peer-reviewed articles on local government scarcity and resource issues, not unlike the discussion this evening. I appreciate the opportunity to weigh in.

The recent proliferation of short-term rentals in Cape Charles is not an issue unique to our town. The compounded annual growth rate of short-term rentals across the country since 2020 has exceeded 10 percent each year. In coastal areas, these numbers have risen even more dramatically.

In Cape Charles and across the country, this change in economic scale has created a number of issues and opportunities. Locally, the regulation of short-term rentals and the transient occupancy tax levied on all licensed operators contributed approximately \$500,000.00 (including licensing fees) to the Town of Cape Charles General Operating Fund for the 2023 fiscal year. The meals tax,

heavily funded by tourists, another \$700,000.00. Property taxes contributed \$1.8M to the general fund. This number has increased nearly 70 percent since 2020 and has been heavily driven by the continued investment and rehabilitation in our community from short-term rental property owners and other outside investors.

The argument of preserving the character of the town is a valid one, but is conflating the length of stay in a community with the ability (or inability) to be a good neighbor, a valid and quantifiable criticism? Restrictive action will have significant economic implications, businesses will close, property values will decline. See Folly Beach, Palm Springs, and countless other municipalities across the country dealing with similar issues.

For better and worse, the business of Cape Charles is tourism. I simply ask that the Town Council carefully consider the economic implications of any action on this subject in order to reach an amendable compromise for all citizen stakeholders.

Sincerely,
Marty Mayer, 428 Plum Street

We're Cynthia Emrich & Tucker Van Dyck, currently residing full-time on the 400 block of Randolph Avenue and building a second home in Marina Village East. Once that's completed, we'll resume our STR on Randolph and also plan to occasionally STR the "main house" in MVE.

With that context, we have several concerns and corresponding suggestions re: the recommendations developed by the Town's STR committee.

1. Although an **effective date of January 1, 2025** sounds generous, we believe that a non-trivial number of owners will fail to meet that deadline. As one example of just how long it takes to develop a property, we purchased our lot in MVE in March of 2022 and have been working diligently to get all the approvals, continually nudge our contractor, etc. ever since. We may not make this deadline through no fault of our own. Rather than hold property owners accountable to meet a completion date, when so many steps in the process are outside their control, we would ask that you consider, instead, instituting a date by which owners must (a) own the property they intend to STR and (b) file an official "intention to STR" with the Town, including a milestone plan for seeking HDRB/ARC approval, permits, breaking ground or renovating, etc. Owners would then be responsible to update the Town should any dates slip significantly.
2. Even though our Randolph Avenue property would be "grandparented" in the current version of the STR committee's recommendations, **we believe that the idea that STR eligibility conveys with a property upon sale is grossly unfair.** This conveyance will, in effect, create two classes of properties in Town. A property that comes with the option to recoup some of the required investment and expenses will command a higher price in the market. And if all it takes to maintain one's STR status is to obtain a business license, have a rental inspection, and pay TOT for at least 1 week out of the year, owners without this status could be on the STR waiting list in perpetuity, with no real hope of ever getting a coveted slot.
3. The **parking recommendation is too resource-intensive and complicated.** We'd recommend instituting a policy that no one parks in front of a home in which they neither reside nor are visiting. If an owner finds an unknown car parked in front of their home, they can alert the police who will issue a warning to first time violators, along with a flyer re: the Town's parking policy. Police can then issue tickets to repeat violators. No need to paint (and possibly need to *un-paint* curbs), burden already hardworking Town staff with decals, or require our Police to cruise our streets, checking for decals.

4. Finally, we would urge the Town Council and Town Staff to undertake research on the **likely impact of any significant measure to limit STRs on development and home values.** We attach a research article published in *Harvard Business Review*. The authors examined the impact of STR restrictions across 15 U.S. cities from 2008 to 2019. They found that residential permits fell by an average of 10% in the three years after an STR restriction passed. In contrast, in areas without STR restrictions, they found that non-ADU permit applications were 9% higher and ADU permit applications 17% higher than in areas with STR restrictions. They further discovered that **STR restrictions reduced property values and, as one would then expect, tax revenue.**

Thank you for listening, and take care!
Cynthia Emrich, Ph.D.
C. Tucker Van Dyck, O.D.
420 Randolph Avenue

Ms. Emrich also submitted the following Harvard Business Review Report:

**Harvard
Business
Review**



Digital
Article

Research: Restricting Airbnb Rentals Reduces Development

A new study found that in the three years after regulations were enacted, residential permit applications fell by an average of 10% in 15 U.S. cities.
by Ron Bekkerman, Maxime C. Cohen, Edward Kung, John Maiden,
and Davide Proserpio

Published on HBR.org / November 17, 2021 / Reprint [H06P87](#)

It's well-known that one of the downsides of short-term rentals (STRs) is that they can reduce the availability of housing for long-term residents, thus driving up both rents and house prices for locals. In a [previous study](#), we found that home-sharing through Airbnb alone is responsible for about 20% of the average annual increase in U.S.

rents, leading many policymakers to take an understandably aggressive approach to regulating STRs. For example, New York City has made it [outright illegal](#) to rent an apartment for fewer than 30 days in most buildings.

However, while this short-term impact is well established, the longer-term impact of the last decade's boom in STRs is less clear. Could the immediate harm of services like Airbnb to the local economy be offset or even outweighed by the long-term increase in demand they create?

To explore this question, we conducted a [large-scale study](#) analyzing a decade's worth of Airbnb listings and residential permit applications in the U.S. Residential permits are necessary for both new construction projects and substantial changes to existing structures, which makes them an effective way to measure the local economic growth that results from owners investing significantly in developing their properties.

Based on this dataset, we identified a clear connection between STRs and residential permits: On average, a 1% increase in Airbnb listings led to a 0.769% increase in permit applications, suggesting that Airbnb can play a major role in supporting local real estate markets and thus boosting local tax bases. Given these findings, it follows that restricting STRs can have a significant, negative impact on local economic activity.

Of course, this is not to say that the negative economic impacts identified in our prior work are irrelevant. In the next part of our study, we took a more granular approach in an attempt to measure the direct impact of various STR regulations and identify strategies that can help communities reap the long-term benefits of the economic activity generated by these rentals while minimizing the short-term harm to residents.

To dig deeper into the underlying market forces at play, we divided our analysis into two parts: a nationwide examination of Airbnb's impact across 15 major U.S. metropolitan areas from 2008 to 2019, and an in-depth exploration of the effects of different local restrictions within Los Angeles County. The national study ensured our findings were applicable across diverse geographic and demographic settings, while the detailed look at LA offered specific insights into the on-the-ground impact of different policies. In addition, it's worth noting that STR regulations were rolled out in the different cities at various points between 2012 and 2019, enabling us to avoid muddying our findings with factors specific to any particular city or time period.

In the first part of our analysis, we looked at 2.9 million residential permit applications, 750,000 Airbnb listings, and 4 million residential sales transactions across the country. The main limitation to expanding this beyond the 15 cities we looked at was access to residential permit application data, since in general, only larger metropolitan areas in the U.S. share their permit data publicly. Public tax data and sales records, however, were easily obtained from data aggregators, as was Airbnb listing data, which we cross-checked with several overlapping sources.

We then used a popular research design known as "difference-in-differences" to measure the causal impact of STR regulations on economic activity. We compared both Airbnb listings and residential permit applications in the three years before and after an STR restriction was passed in a given neighborhood, and then averaged these effects over all the neighborhoods in our study. Our analysis identified a clear downward trend in both listings and permits after a regulation was enacted: Airbnb listings fell by an average of 21%, and residential permits fell by an average of 10%.

The second part of our analysis zoomed in to focus on these effects within a single metropolitan area. We chose to look at Los Angeles County because it has a uniquely large, interconnected housing and labor market, with many independent jurisdictions and regulations coexisting side by side. Specifically, only 18 of LA's 88 municipalities have STR regulations, enabling us to perform direct comparisons between areas with STR regulations and their unregulated next-door neighbors. We focused our analysis on residential permits within a kilometer of a border between regulated and unregulated municipalities, in order to maximize the chances that the trends we identified were purely due to the difference in STR restrictions, rather than other, external factors that may have incentivized residential construction on one side or the other. Furthermore, in addition to general residential permit applications, we tracked permit activity for a category known as accessory dwelling units (ADUs) — that is, additions to existing homes, which are often especially well-suited for renting.

The results of this analysis were conclusive: On the sides of these borders without STR regulations, there were 9% more non-ADU permit applications and 17% more ADU permit applications than on the sides with restrictions. Clearly, demand for STRs has been driving the creation of extra housing capacity in LA, and it's been especially driving growth for housing that is suitable for home-sharing (i.e., ADUs).

In the final part of our study, we explored the relationship between permit applications and residential property values, which are associated with cities' property tax revenues. We looked at residential properties in our nationwide dataset that were sold during our sample period, and we found that those with a permit application between sales (i.e., those whose owners invested in improving their homes before selling them, potentially in order to meet STR demand) sold for an average 38% more than those without a permit application. Since STR regulations decrease the number of permit applications which in turn stymies growth in property values, we conservatively estimate that for the 15 cities we studied, STR restrictions reduced property values by a total of \$2.8 billion and tax revenues by \$40 million per year.

Of course, this is not to suggest that unregulated growth is the answer. While higher property values can increase cities' tax revenues which can then be reinvested into local communities, they can also lead to issues related to housing affordability, including pricing out existing residents or preventing new residents from entering these neighborhoods. But our research illustrates that with the right policy approach, STRs can be leveraged as a tool to encourage local real estate development and economic growth.

As such, rather than enforcing blanket restrictions that hinder growth, we recommend creating targeted policies that meet local needs. For example, a study of [real estate activity in Chicago](#) showed that encouraging STR development for properties in distressed neighborhoods and then turning those properties into Airbnb rentals fostered parallel development in nearby retail properties, creating jobs and adding value to the entire community. As development spurs growth, policies could be implemented that would set aside a portion of the resulting increased tax revenue to fund affordable housing for local residents. Similarly, to address gentrification concerns, the total amount of space available for STR use could be capped at a percentage of available housing capacity, thus encouraging the development of long-term housing alongside STRs.

Ultimately, our research highlights the importance of taking a nuanced approach to STR regulation. As with many fraught policy decisions, the main challenge that regulators face is to balance residents' shorter-term needs with the longer-term economic wellbeing of the community.

There are no easy answers — but any effective solution will have to acknowledge the very real economic downsides of restricting what people can do on their property.

This article was originally published online on November 17, 2021.

RB

Ron Bekkerman is the Chief Technology Officer of Cherre Inc., an AI-powered real estate data integration platform. Prior to that, Ron was an Assistant Professor and Director of the Big Data Science Lab at the University of Haifa, Israel, Chief Data Officer of Viola Ventures, and a founding member of the Data Science team at LinkedIn. He received his PhD in Machine Learning from the University of Massachusetts, Amherst.

MC

Maxime C. Cohen is the Scale AI Chair Professor of Retail and Operations Management at McGill University, and he is actively advising corporations and startups on topics related to pricing, retail, and data science.

EK

Edward Kung is an Assistant Professor of Economics and the Schweizer Faculty Fellow at California State University, Northridge and a Data Science Advisor at Ardlus.

JM

John Maiden is the former Head of Machine Learning at Cherre Inc., an AI-powered real estate data integration platform. He has extensive experience building machine learning solutions for the financial services industry and holds a PhD in Physics from the University of Wisconsin, Madison.



Davide Proserpio is an assistant professor of marketing at the University of Southern California. He is interested in the impact of digital platforms on industries and markets, and most of his work focuses on the empirical analysis of a variety of companies including Airbnb, TripAdvisor, and Expedia.

My name is Meredith Lusk and I am the owner of Moonrise Jewelry, located at 325 Mason Avenue in Cape Charles. My company has been in business since 2005, and operating a retail store in Cape Charles since 2012. I am aware that short-term rental regulations are an ongoing concern and I wanted to share my support of short-term rentals as a business owner in Cape Charles.

Tourism is vital to our local economy and the continued success of our business community. Tourist spending has been an important factor in the growth of my own retail business, and without it, I'm not sure if Moonrise Jewelry would still be in business today. Increased revenue from visitor spending has allowed me to expand my workforce which provides year-round, good-paying jobs to local residents. It has also allowed me to invest in significant improvements to my store's building on Mason Avenue, which have contributed to the revitalization of our Historic District. Successful businesses contribute greater tax revenue to the town as well, so the financial impact of any short-term rental restrictions that could inhibit tourism must be carefully considered.

The most essential tourism requirement is for visitors to have a place to stay, and we simply do not have enough beds for a sustainable tourist industry without short-term rentals. They provide essential lodging for tourists who are likely to spend lengthier time periods and more vacation dollars in our community than those staying for a night or two in a hotel or B&B.

Since short-term rentals are vital to our tourism economy, I respectfully request that Town Council and Town leadership focus on managing the specific issues at hand such as parking, noise, and occupancy limits, rather than curtailing short-term rentals altogether. With updated regulations and adequate enforcement, short-term rentals can continue to help Cape Charles thrive as a community for both residents and visitors. Thank you very much for considering my comments, and please do not hesitate to contact me if you have any questions.

Sincerely, Meredith Lusk President Moonrise Jewelry, Inc., 325 Mason Ave

I regret that I will be unable to attend the Town Council meeting this evening, and I appreciate the opportunity to share my thoughts on the Short Term Rental discussion with you and the rest of our Council and Staff through this letter. Please have this entered into the record on my behalf.

In my conversations with neighbors and friends who have expressed support for “doing something about Short Term Rentals” I have not heard a consistent or well researched answer to their concerns. Honestly, I haven’t even really heard a concrete goal to define the purpose of “doing something”. The concerns that I have heard focus on 2 areas. First, the idea that the Town is occasionally too busy in the Summer months. And secondarily that there is a lack of a “community feel” in Town. A third concern that comes up is that rents have gotten too high for long-time blue collar locals to be able to afford to live in Town.

I am not sure how limiting Short Term Rentals (STRs) to a random number based on a percentage of our current number would address any of these concerns. And I have not heard an explanation from anyone I’ve spoken with about how the concepts being discussed as possible solutions actually address these concerns, much less solve them.

Unless we are talking about actually reducing the number of STRs, the rental capacity in Town will not shrink. It might grow less quickly, but randomly capping STRs is a short-sighted and unscientific approach to “doing something” that isn’t going to roll back the clock or the numbers. The fact of the matter is that Cape Charles is much more likely to have more people rather than fewer in the future. There are multiple empty lots in Bay Creek for every STR in Cape Charles. Do we want to put a stop to all future building as well? Cap the number of houses in Town at the current number? You can’t build a new one unless you tear down an old one?

Demand is going to find a supply somewhere. By limiting the rights that people have for the use of their homes, we would just be driving income out of Town. Kings Creek Landing and Tower Hill are just outside of the Town limits. There are dozens of unbuilt lots there, as well as plenty of houses that could be STRs as capacity is limited in Town and the income and higher property values are driven out of Town and into the County or over to Cheriton. So maybe we should put a limit on the number of people who can come into Town without staying in Town? Or put a toll booth at the Town limits? None of this makes any sense, and none of these options do anything at all to address the supposed “problem”.

A more sensible way to approach the issue of supposed occasional overcrowding in Town would be to plan for and accommodate the growth that is baked into the cake already considering the development of lots that are already approved, platted, and planned. The Town is actually starting to do some smart things. The creation of, and improvements to, the public parking on the South side of Mason Avenue is a good example. The discussions to address some of the parking issues at the beach are a step in the right direction.

There are things we can do that will allow us to enjoy the economic, social, and communal benefits of our recent growth while reducing seasonal inconveniences for residents. Random limitations, reduced property rights, and over-regulation are not the right solutions. We need to change our way of thinking to one that is forward looking and positive. Encouraging Town Staff to work with entrepreneurs and business owners to increase services in Town could be a much better approach than creating roadblocks for business and over-regulating exactly who can do what where and for how long. Allocating resources to serve residents and visitors at peak times could be a good start. A police officer providing helpful direction on Bay Avenue on Saturday morning might be a more effective public servant than one stalking drivers on Stone Road.

As for the mourning of the loss of our sense of community, once again, I can't see how a random cap on STRs is going to help address this supposed "problem". Cape Charles has more residents now than it has in the last 40+ years. We have fewer derelict houses. We have more local restaurants and shops. We have more people working in Town. We have more activity at the Theater. The rise of STRs hasn't reduced the components that make up a community. STRs have grown in correlation with these other factors. The additional tourist traffic has allowed our businesses to exist and to grow. The increased activity in Town has allowed our dedicated community volunteers to offer more diverse Arts opportunities in Town. Come to Central Park during their concert series and tell me that there's no sense of community. Yes, there are tourists there, but there are also neighbors talking, laughing, and dancing together. And we can do that more often because the additional residents and visitors in Town support the hard work of the people that put together these types of events.

The one issue that I do find truly challenging as the Town grows and prospers is that we do have neighbors who are being priced out of Town as their property taxes increase, or their landlords decide to renovate and increase rents, or sell to take advantage of increased property values. This is an important issue that faces small, desirable communities all over the country. We have a serious supply and demand issue here because we live in a beautiful, special place and people are figuring that out. The good news is that property values, business opportunities, and jobs are all increasing due to this increased demand. But it's not good news for everyone. Many of the hard working families that held Cape Charles together for decades when nobody else wanted to be here are now being pushed out by new people and new money. It's not fair, and it's a very real concern.

There are some things that the Town and the community can do to help mitigate some of these negative and harmful effects. We can offer need based relief on the exorbitant trash and water fees that are now higher than some rents in Town were 25 years ago. We can raise funds to subsidize rents and power bills through our churches and other community organizations. We can allow property owners to create duplexes out of larger homes for long term rental purposes. But what we cannot do is tell property owners that they cannot improve or sell their properties, or take advantage of the higher market levels for rents. The Town can work with landowners to encourage the development of affordable housing. But if the only plan you have to address the gentrification of much of Cape Charles is to put in place enough regulations, limitations, and disincentives to drive down property values enough to reduce rents, then we're suffering from both stupidity and short sightedness. Again, we need to look forward and do the hard work to accommodate the growth that we are destined to experience rather than look backwards and wish for a past that never really existed.

On a related note, I have heard concerns about the occasional rowdiness or unruliness of some of our visitors. Allowing our hard working Police officers to once again be part of the fabric of our Town could be a way to reduce some of this behavior. The apparent revenue driven approach that they seem to be forced to take builds resentment between officers and the community, and unfairly places in our officers in an "Us vs Them" environment that is untenable and counterproductive. Unmarked cars, trucks, and SUVs don't dissuade bad behavior in the way that Community Policing can. If our concerns on Stone Road are really about safety rather than revenue, then we can take a lesson from our friends at the CBBT and put a marked police car out in plain view for all to see rather than hiding an unmarked car in the bushes. If we want to allow our officers to protect and serve their community, make them easy to find in well marked cars, and allow them to be helpful to the citizens and residents. A house party is less likely to get out of hand if the folks in the house have seen an officer walking their block or riding around town on a bike. Or if they've spoken to an officer on the street to ask a question or get directions.

In closing, I encourage the Town Council to resist the Siren's Call of trying to regulate away the concerns of each and every resident in order to craft the perfect Utopia. It is a fools mission to attempt to control every aspect of a growing and ever-evolving community. We are coming off of an

unprecedented surge in attention and demand from what is hopefully a once-in-a-lifetime pandemic, social displacement, and economic upheaval. Allow the smoke to clear. Allow the markets to settle. Allow the Town to settle into it's new reality. Once we know what the new reality is we can approach ways to continue to improve it without trying to turn back time, tie the hands of our neighbors, or drive away demand by making the Town a less attractive place to live, visit, or invest. Cape Charles can continue to be a wonderful place to live, work, and thrive.

If any limits are put on STRs we will have to sell our Randolph St home at a significant loss, immediately without the ability to properly stage it for sale or wait for the right offer. This is not a dramatization. We did not settle in Cape Charles to constantly be defending our livelihood with ever evolving pet projects (STR limits, parking, etc) of the loud minority, according to all results of the multiple survies.

V/R,
Jameson Chalmers, Randolph Ave (Parcel #83A3-1-565)

I apologize for not sending this earlier. I had not realized that one would be able to both speak and submit comments via email. This is just more information about the history of STR/Homestay/AirBnb/etc discussions, as recorded in the Town Council minutes.

I did not go back further than 2017, because I thought that 7 years was long enough to show a trend. It appears that council discussed STRs in 2017, but no action was taken.

It appears that the town manager in 2019 did a fairly in depth study, and actually brought recommendations to council, but no action was taken.

STRs were part of the 2021 strategic plan, but somehow have never risen to the level of action being taken to regulate them.

Meanwhile, the number of STRs continues to grow. In fact, I am pretty sure that another one was inspected in our 500 block of Monroe Avenue today, and there is at least one more that is working towards that end, which puts our block at nearly 45% STRs.

Nothing that I heard tonight, from people who are opposed to limiting STRs in any capacity, gave me the feeling that they truly understand what a sense of community actually means: knowing who lives in the house next door is a big part of this. Everyone seemed to indicate that those of us who want limits are opposed to the people who are the renters, and in most instances, that is not the case. The problem is not knowing who lives in the house next door, or, in the case of the 500 block of Monroe Avenue, 45% of the houses in our block.

All the people who have opted to move out of Cape Charles, whatever the reason, and live in Tower Hill, Kings Landing, etc, still shop in Cape Charles, because where else is there to shop?

It is nice to hear that business owners, including those who own STRs, are supporting local causes, but how many of them volunteer to clean up the town on Cape Charles Day? Or sit on town boards, commissions, etc?

If the city of Hampton is able to pause approvals of STRs until able to do a thorough study, then I do not understand why this is not an option for the Town of Cape Charles.

Seven years is a long time to let this issue drag out. You really need to do something, now.

Julie Jones, 538 Monroe Avenue

(See the following Timeline attachment provided by Ms. Jones

**REFERENCES TO STRs/HOMESTAYS/AIRBNBS
2017-2024 per Cape Charles Town Council Minutes
Timeline**

2017 May 11 Town Council Special Meeting

iii. Airbnb Rentals-Identification and TOT collection

The listing of about **24-29 properties** was compared to the BPOL listing and the majority did not have business licenses nor were they paying transient occupancy taxes

2018 December 20 Housing Market Findings

51 Short term rentals in zip code (AirBNB, etc)

2019 August 15 Town Council Regular Meeting & Executive Session

B. Homestay Regulations:

Larry DiRe stated that **the issue of regulating homestay** accommodations was discussed by both the planning commission and Council **several years ago** following the passing the enabling state legislation which granted greater regulatory and enforcement powers to local governments.

The town took no action at that time but had recently expressed an interest in revisiting the matter.

Staff had reviewed similar relevant legislation and discussed this issue among the relevant town departments and went on to review some of the recommendations as follows:

- i) Conditional use permits were not recommended except for bed and breakfasts/tourist houses as currently stated in the town's zoning ordinance;
- ii) Establishment of a formal registry to be maintained in the treasurer's office;
- iii) **Occupancy limit** irrespective of what the building, fire and life safety codes approvals but **in no instance more than 10 overnight occupants with no differentiation between adult or child;**
- iv) Limitation on the number of homestay accommodations to **one per property owner;**
- v) If found to be in violation of more than three town ordinances, the property would be removed from the registry and activity as a homestay accommodation would cease for the remainder of the year; and
- vi) A requirement that the golf cart use regulations be posted in a public place proximate to the publicly posted business license. The inspector would check to see if the property was in compliance before permit issuance.

Larry DiRe went on to state that recently there had been discussion regarding the **character of the Cape Charles historic district.**

Two years ago, the National Park Service (NPS) did an analysis of the City of **Savannah's landmark district** and while finding the district relatively strong, they cited several issues as threats such as noise, the proliferation of hotels, and the **increase of short-term vacation rentals within the district.**

Larry DiRe read an excerpt from the **NPS report** which stated “**research shows that historic neighborhoods thrive best when they remain active communities, not just empty theme parks for heritage travelers.**”

In **July 2017** the National Trust for Historic Preservation published a posting entitled “**Do Short-Term Vacation Rentals Change the Character of Historic Neighborhoods.**” [have not been able to locate this article]

Larry DiRe requested Council direction regarding this issue so text amendment language could be drafted for review at a future meeting.

There was discussion regarding the following:

iv) Capacity would be governed by the occupancy limit identified by the building code but **no more than 10 per vacation rental.**

Mayor asked Council to think about the issue and email their thoughts to Larry DiRe so he could draft language for review.

Council Member interjected would like to have the ordinance finalized by **January 1, 2020** so the rental agencies and property owners were aware for next year’s season.

2021 February 18 Town Council Discussion of Current Town Priorities

#11 Develop and bring forward short term rental regulations/ordinances

2021 May 25 Town Council Work Session

ii) A breakdown of facilities showed 3 hotels, 5 B&Bs, and **251 residential vacation homes**

2021 August 19 Town Council Regular Meeting

prioritize a list of then current special projects:

#21 Develop and bring forward short term rental regulations/ordinances – pending

2022 March 17 Discussion of Town Priorities

#13 Develop and bring forward short-term rental regulations/ordinances

2023 March 2 Town Council Public Input Session and Special Meeting

Ongoing Town Priorities List:

#10 Develop short-term rental regulations/ordinances

2023 May 18 Public Hearing and Regular Meeting

STR committee put together

2023 November 2 Town Council and Planning Commission Joint Work Session

STR committee recommendations presented.

2024 March 21 Town Council Public Hearing and Regular Meeting

Appendix B 2024 Ongoing Town Priorities List

#8 Develop short-term rental regulations/ordinances

2024 April Short Term Rental committee resumes meeting.....

Currently there are +-400 STRs in Cape Charles

(The following comments were provided in person during the meeting, and also provided in writing for inclusion in the minutes.)

I am Liz Pruitt. I’m a full-time voting resident of Cape Charles.

I think the question of limiting short-term rentals can and should be asked another way: do we want a year-round community here, and what does that community look like? What is the vision? It's a questions that is being asked in towns all over the country and all over the world.

A good place to start is what we agree on. This is a beautiful town, that is owed in no small part to tourism. The marketing has been successful. We enjoy many benefits from the vibrancy of this town.

However, full-time residents, your constituents, also experience negative effects from tourism and the town's popularity. And I ask you to acknowledge these.

- The town has lost, almost entirely, its racial and economic diversity.
- Increased home values drastically affect the taxes of people who live here but do not benefit economically from tourism.
- Also, it is not easy to live next to someone's summer vacation continuously for 4-5 months.

To be a community, we need full time residents. On my block, 1/3 of the houses are FT, 1/3 are PT, and 1/3 are STRs. If those PT become STRs there is no way these people could be accommodated in Cape Charles.

I am asking that you cap the number of short-term rentals available in Cape Charles and to freeze it now while you deliberate on the details of the policies. We are at saturation point. In summer

- Parking is a real and persistent problem for residents, especially those who live near the beach or surrounded by rental houses that accommodate large families with multiple cars and golf carts
- There is nearly no room on the beach
- Long wait times at restaurants in the summer affect locals and tourists
- Trash piles up and overflows
- Grocery shelves are often empty in the summer

Additionally,

- In 2021 our daily groundwater withdrawal was at 93% of its limit
- Wastewater treatment in July of 2021 peaked at above 95% of capacity of the plant. Capacity is predicted to be exceeded by 2026.

In addition to limiting numbers, I would ask you to adopt and enforce a ser of rules for all rentals that will improve the quality of life of your constitutes. We have to find balance. Some suggestions:

- Limits on parking – bpth where to park and how may parking spots are available to renters
- Golf carts should not be parked on residential streets or sidewalks
- Courteous requests:
 - Quietish hours – not just 9 or 10pm but all day, because people live and work here. Someone's desire to listen to loud music or make noise is not more important than my right to enjoy my home and garden and to work interrupted in my home office.
 - Requesting appropriate dress and appropriate language – I've seen way too much and heard quite enough

In short, this is a place where people live and visitors should be good neighbors while they area here.

Finally, in order for the outcome of your deliberations to be ethical and not vulnerable to challenge, this must be a transparent and fair process. Council members who have any financial interest in tourism must abstain from voting. The ad hoc committee should include an equal number of members with NO financial interest in tourism, or their recommendations cannot reasonably be seen as objective.

Your constituents – the voters who live full time here in Cape Charles – want a vital community **year-round**. I ask you to make this a priority and to devote resources and attention to that goal before that is no longer possible.

Liz Pruitt, 1 Tazewell Avenue

Statement presented by Jim Metz at the Cape Charles Town Hall Meeting 4/29/2024

My name is Jim Metz. My wife and I own our vacation home in the Sea Cottages section of the Historic District. In the interest of full disclosure, we offered our house for part of the season as a short-term rental for eight years ending in 2017.

Regulating STRs is not fundamentally about “trash pickup” and such. It is fundamentally about the intent of section 3.2 of the Towns’ Zoning Regulations for District R-1, to wit.

to provide quiet, medium density, single family, residential development . . . The regulations are designed to stabilize and protect the essential characteristics of the district, to promote and encourage a suitable environment for family life . . . and to restrict all activities of a commercial nature . . .

As a zoning ordinance, the “permitted” and “conditional” uses of the properties in the district must be explicitly listed. In the posted ordinance revised Jan. 19, 2023, there is no mention of short-term rentals as either a “permitted” or “conditional” use.

During a Work Session of the Town Council and Planning Commission on Aug. 21, 2023, proposed amendments to the ordinance were discussed. With regard to the proposed changes to Section 3.2, the Zoning Administrator recommended “striking” ‘Short-term Rentals’ . . . until the subcommittee concludes its work . . .”

This is where we are. Short-term rentals are not a “permitted” or “conditional” use of property in zoning district R-1. The challenge is to define the regulations that will bring short-term rentals into compliance with the intent of Section 3.2 of the Zoning Regulations for District R-1.

James Metz, 2 Randolph Avenue

Cape Charles Sense of Community: what that means to me

When Sam and I bought our wonderful old house in the Historic District in 2015, we knew that we loved the house and the town but had no idea that the best part of owning a home in Cape Charles would be the incredible sense of community.

Here are some examples of conversations/experiences we have had with our neighbors in the 500 block of Monroe:

- Can you recommend a house painter; plumber; electrician; dentist; roofer; contractor; vet?
- Was at Baines Market and strawberries are in, so I brought you a quart
- Peaches are in at Picketts Harbor. Do you want to come over and share peach cobbler?
- Sharing cookies and pumpkin bread in December
- There’s a concert in the park tonight. Want to go together?
- There’s a performance at Palace Theatre tonight. Want to go together?
- If you put cardboard down in your garden, it will keep the weeds down.
- Here is a wedding gift for your son and his new wife.

- Here is a book for your granddaughter, You Are My Sunshine, her favorite song.
- I know you've been looking for a contractor to build your garage. Here's the name of one we used and like.
- I noticed FedEx left your Chewy delivery on the sidewalk and it's starting to rain, so I put it on the porch for you [three really heavy bags of cat litter in that delivery]
- I heard it was supposed to be really windy; would you mind putting my chairs down on the porch?
- Hearing our neighbor playing his guitar on his porch, while weeding our flowerbed
- Singing and playing instruments on the front porch and our mailman joins in
- I noticed your front storm door is open; do you want us to close it for you?
- I noticed your attic window is open (in January); do you want us to close it for you?
- I noticed your tulips/magnolia/etc. is blooming and since you aren't here, sent you a photo
- Have you tried the new restaurant in town?
- We have tickets for the Garden Tour that we can't use; would you like them?
- What kind of grass seed do you use?
- What do I need to attract Monarch butterflies?
- Do you have Monarch caterpillars in your garden yet?
- I can bring you some milkweed for your Monarch caterpillars.
- What kind of flower/plant/tree is that in your yard?
- I noticed your Christmas lights are flashing; do you want me to unplug them for you?
- I noticed a bird going into a vent in your attic.
- Can you recommend someone to install a chimney cap?
- The previous owners of your house had a pig.
- The whole block laughing together at a concert in the park, when the band plays Year of the Cat, then a Buddy Holly song...because an abandoned cat has adopted you and you named it Buddy Holly

When you buy a house, you have no idea what kind of neighbors you might get, but in our case, we were blessed with the best. There was someone from Madagascar who spoke French, an attorney, a State Department retiree, someone who grew up in Cape Charles and had rented the same house for 30+ years, young families with kids, watermen, State troopers, landscapers, editor of the Mirror, etc. A wonderful, diverse group of people. Plus, we knew the names of all the dogs and cats: BB, Zeke, Freddy, Rudy, Bob, Puddy, Buddy Holly, and of course, Buttercup, everyone's favorite whippet about town.

In 2020, that all started to change, when a neighbor's house sold and was turned into an STR. The first one in our block. Now our block is 40% STRs and with each new one, we lose some of that sense of community.

When we received the text that there was a police chase that ended in the park, with the driver "at large," we immediately started calling and texting our neighbors, many of whom live alone, to lock their doors, turn on the outside lights, stay inside, then asked are you ok? Do you want someone to stay with you, or do you want to come to our house?

And when the unthinkable tragedy happened, and we lost someone who it seems that everyone knew, we found comfort in sharing stories about how we knew her and what she meant to us.

If you live in the Historic District of Cape Charles, you know how blessed you are. Beautiful homes, beautiful yards, lots of trees, and when you go for a walk, you almost always see someone you know. A sense of community. A feeling of being safe.

When 40% of your block sits dark and empty, from September through May, that is not a feeling of safety or community. And from May through September, when 40% of the houses in your block are filled with strangers, that is also not a feeling of being safe, or a sense of community.

Members of Town Council, STRs have been an issue since 2017, and in spite of multiple opportunities to regulate them, you have done nothing. Maybe where you live, you don't have STRs surrounding you.

Maybe you still know all your neighbors. But when 40% of the houses in your block are inhabited by strangers, that is a problem for those of us who live there.

Since 2019, every house that has sold in our block, except for one, has been turned into an STR. Won't you please follow the example of the city of Hampton, and pause the approval of any more STRs, until you can formulate and pass ordinances/regulations to manage the number of STRs that are threatening our sense of community?

As elected officials, your job is to protect us, and that means putting aside any personal interest you may have in STRs, and preserving what is so precious to everyone who lives in this little town: a sense of community.

When I sit with my remaining neighbors, on our porch or theirs, I like to think that perhaps we are maintaining the way of life that was in Cape Charles, a hundred years ago. Please help us not to lose this.

Julie Jones, 538 Monroe Avenue

SHORT TERM RENTALS – RECOMMENDATIONS

- Immediate pause on new business licenses for STR properties until problems addressed by the ad-hoc committee in their November 2, 2023 report are resolved and the town is in compliance with current zoning ordinances.
- Hire a STR Administrator on Town Staff to be paid for by fees charged to STR owners. In keeping with the ad-hoc committee's recommendation, this person will create and maintain an STR registry.
- Hire a consultant to study and make recommendations for STR density rates in conformance with Town characteristics and apply them on a block by block basis.
- STR license waivers in excess of the established density limits should not be granted for rehabilitation for dilapidated homes.
- We support the committee's recommendation for the annual renewal of business license for STRs. However, we do not support business licenses to be transferable on sale of property or transfer of ownership. Licenses for a new owner/ownership expires with the expiration date of the current STR license.
- All existing STR properties with a valid STR permit will automatically be approved for a renewal of their permit (grandfathered), regardless of densities, for a period of five (5) years from the effective date of STR density regulations. In order to prove eligibility for grandfathering, the property owner must prove that the property was rented out for a minimum of 90 days during each of the two previous calendar years.
- Occupancy limits per STR property need to be established and enforced.
- Fix the parking problem. Appoint a committee or hire a consultant to address parking for excess short-term rental vehicles. Until a more permanent solution can be established, limit occupancy based on onsite and frontage parking availability of each STR property.
- We agree with the committee's recommendation number 13 regarding trash cans. However, we add further that trash will be required to be removed from STR property by cleaning staff (or assigns) within 24 hours of each rental stay turnover.
- We are in support of the committee's recommendation number 10 regarding STR license suspensions, except that licenses shall be suspended within seven (7) calendar days for qualifying violations.

Richard Burger, 550 Madison Avenue

My name is Laura Weigand. My wife, Michele Molina, and I are full-time residents and homeowners in the historic district and business owners of Drizzles located in the Town of Cape Charles. We bought Drizzles in 2021 to grow an established business into our financial livelihood in order to be able to someday retire here in our beautiful community.

We are aware that short-term rental regulations are an ongoing discussion item and I wanted to share my support of short-term rentals as a business owner in Cape Charles. We would not have invested in a business in Cape Charles if we could not have relied on tourism to grow our business to support living here in the historic district. We chose Cape Charles as our forever home and rely on tourism to support that dream.

Short-term rentals and the summer season allow our business to continue its operations and without a thriving tourism economy, it is very likely that we would not be able to operate a business in Cape Charles. Our sales for the summer season between Memorial Day and Labor Day have been 45% of our income for both 2022 and 2023.

We know that Cape Charles serves as one of the primary economic hubs for Northampton County. The decision to fight off chicken farming and a prison located here on the southern end of the county and delegate Tourism as the driving factor for revitalization of Cape Charles and Northampton County was made in the early 1990s. So, I guess I don't understand why we are now fighting the very thing that was supposed to happen, TOURISM. Personally, I don't want to be told that my income is going to be "capped" or "limited" and that is what would happen if we instituted any type of cap on STRs. Cape Charles doesn't have a mega hotel chain building here to support the increase in tourism, thank goodness; so our community needs these STRs to support our economy and growth.

Now that being said, there certainly should be regulations and accountability by the STR owners. All owners that do not live here in the county should have a 24-hours responsive manager, listed on the Town website for transparency to all. I agree with the list of violations that can be fined to the guest and/or owner. The owner should be allowed a certain number of violations (set by Town Council) before they lose their license for a year. Instituting these regulations, fines and penalties will automatically weed-out those owners that think they can do it by themselves from a remote location without a responsible service provider to be their "boots on the ground" here in the area to act as the liaison between the STR owner, guests and the residents of our beautiful town. I speak from experience as co-owner of Live Local-ISH, a concierge service for those "self-managed" STR owners. Responsible growth is possible while maintaining the integrity of our beautiful community.

Short-term rentals are vital to the tourism economy, and I would ask that Town Council and Town leadership look to address the specific issues at hand such as parking, noise, and occupancy limits instead of limiting short-term rentals altogether. With updated regulations, short-term rentals can continue to help Cape Charles thrive as a community for both residents and visitors.

Sincerely,

Laura Weigand & Michele Molina, Drizzles, 632 Madison Avenue

I agree with all the comments that have been made previously in support of regulating short-term rentals, and particularly the recommendation to put a limit on the total number of such rentals. I want to make it clear up front that I am not advocating the elimination of STRs. They provide a valuable economic impetus to our Town and support businesses and employment. I do believe that they need to be limited to a sensible number and density so that Cape Charles is not overwhelmed during the season and a ghost town the rest of the time.

I also believe strongly that a temporary pause in allowing additional such rentals should be put into place with all possible speed to maintain control while the many details of the other regulations required are worked out.

Last year the Town Council & our Town Manager wisely formed a committee representative of the many parties affected by Short Term Rentals (STRs) to make recommendations on their regulation

and control. This effort should be applauded. These were submitted to Council in 2023, and I think most people in the room are familiar with them. This committee also recommended setting a cap on STRs. *It was number 2 on their list after proposing an implementation date indicating to me that they attached a high priority to it.

The reasons for this have been covered in detail very well by others who have preceded me – maintenance of a sense of community and neighborhood, and of a small-town environment. Note that these ideals are formalized as goals in our strategic plan, so as a Town, as a Community we have already embraced them.

If we do not control the number and density of STRs we will put these things at risk and that point has been made over and over again in this meeting. We want to be Mayberry, not Disneyland.

Note also that our strategic plan includes a goal to advance a variety of housing options for younger families and workforce housing. If a significant number of houses are taken up by STRs it will destroy the opportunity for young families to move here and become part of the community. This will ultimately detract from the Town economically as well as socially.

Finally, I request that Council, Mr. Hozey, and Ms. Nunez review Section 3.2 Single Family Residential District R-1 with the Town Attorney to see if STRs are even permitted in the R-1 district since they are not covered either as Permitted Uses or Conditional Uses, nor, to my knowledge have any of them been issued Conditional Use Permits.

Thank you for your kind attention.

Sincerely,

George Proto, 607 Pine Street
