

**MINUTES OF CITY COUNCIL WORKSHOP MEETING
CITY OF SOUTH PADRE ISLAND**

THURSDAY, OCTOBER 27, 2022

1. CALL TO ORDER

The City Council Members of the City of South Padre Island, Texas held a Workshop on Thursday, October 27 2022 at the Municipal Complex Building, 2. Floor, 4601 Padre Boulevard, South Padre Island, Texas. Mayor McNulty called the meeting to order at 5:30 p.m. A quorum was present: Mayor Patrick McNulty, Council Members, Ken Medders, Kerry Schwartz, Joe Ricco and Eva Jean Dalton.

City staff members present were City Manager Randy Smith, Director of Operations Wendi Delgado, Chief Financial Officer Rodrigo Gimenez, Fire Chief Jim Pigg, Police Chief Claudine O'Carroll, Shoreline Director Kristina Boburka, Fire Marshal Robert Garcia, Shoreline Coastal Coordinator Erika Hughston, Management Assistant Hilda Delgado, and City Secretary Angelique Soto.

2. PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE

Mayor McNulty led the Pledge of Allegiance and the Texas Pledge.

3. PUBLIC COMMENTS AND ANNOUNCEMENTS:

Public comments and announcements were given at this time.

4. REGULAR AGENDA

**4.1. DISCUSSION WITH STAKEHOLDERS (SHORT TERM RENTALS)
REGARDING THE FOLLOWING: (COUNCIL)**

Mayor McNulty announced that 4.1A and 4.1B would be combined.

**A. CREATION OF A LICENSE - FEE \$400/ANNUAL
B. REMOVAL OF REGISTRATION FEE**

Currently, there is a one-time \$50.00 initial registration fee for short-term rentals.

Business Owner Will Greenwood opened the discussion focused on balancing the quality of life of residents and the concerns of residents with the needs of tourism that feed the Island. With approximately 2,500 residents the Island receives approximately 9 million visitors.

While there are many different businesses and attractions on the Island that take up City staff time and resources during different times of the year. Vacation rental properties continue to grow and there is importance focused on responsible property management. Hence the creation of the Vacation Managers Association of South Padre Island. While many vacation managers were present, Mr. Greenwood stated that he had spoken to most of them this week, and none of them are having issues with house parties or out-of-control situations at vacation rental properties. His concern is there is no need for this fee to fund staff when there are no issues at these properties for the most part. The vacation rental industry should not be responsible to pay the majority of the cost to fund a Marshal Program to enforce issues that are not there. Agrees to a \$100 fee per vacation rental.

President of the Vacation Manager Association of South Padre Island Tom Goodman discussed how the association is here to help. Concerns are a \$400 fee could drive rental owners underground and not comply with requirements. Development of software that could identify compliance issues and then revisit the needs for next steps.

Property owner Ernesto has rented his property for 10 years and has never had a problem that he was not able to handle himself.

Residential property owners raised questions of enforcement for non-compliance. Mayor McNulty discussed the ongoing efforts to enhance the capabilities of software that will identify rentals that are not registered, tax payments, and complaints. Most condo associations have hired security for peak times.

Real Estate owner expressed concerns about parties happening and noise issues that are disturbing nearby residents. While there are not many vacationers currently here but will see the same issues during Spring and Summer. The hotels close their pools around 10:00 p.m. yet the pools in a private rental home may have swimmers at 2:00 a.m. yelling. Certain properties are not providing instructions to the renters to help prevent them from receiving complaints.

Association President Goodman reviewed a major increase in 2020 and 2021 with short-term rentals. While there are no occupancy guidelines/best practices from the association, occupancy is dependent upon the Condo Homeowner's Association and homeowners that dictate occupancy. Council Member Ricco identified the complaints received as parking, noise, and trash. There is a single-family home advertising that this property could sleep up to 28 people. If the Association could make suggestions for best practices on occupancy could help the City develop guidelines to enforce the issues identified.

Council Member Dalton discussed reaching out to legislators and lobbying to permit Hotel Occupancy Taxes to be used for enforcement. A Rental Manager discussed the issues she faced in the past with renters but their office is available 24/7 and now sees fewer issues with educating renters and receiving calls from surrounding property owners.

C. FINES FOR VIOLATIONS

Rental Property Owner discussed the 3 key issues identified and new software is not needed if the properties that are habitual with issues should be watched.

D. SIGNAGE

Association President Goodman explained that anyone that is advertising large occupancy would be violating the association's rules. Should a house only have two parking spaces that is what would be allowed and if a property management company allows more, it would be a violation of the association rules. The association supports citations/fines for problematic rentals. Discussion on signs and posting the property management contact number or if the property is rented by the owner, then the owner's number should be included on the sign. If the rental property is under a Home Owner's Association (HOA), the contact number should be available to the HOA. Rental Property Owners/Management Companies should be contacted and address issues with rentals. Not all rental properties have signs with contact information.

Association Executive with South Padre Island Board of Realtors understands the rules and regulations in place but are not being enforced and would like to see more education on property owners. There has been a high turnover of owners and received the postcard in the mail educating owners of the rules which could be sent on a semi-annual basis to keep the community up to date and enforce the rules in place.

An employee for SPI Rentals has received calls from others reporting issues with rentals and their contracts stipulate rules for vehicles, occupancy, noise complaints, etc., and make contact with the renter to have them comply and then will call the complainant to confirm. While they do not receive many calls from the surrounding property but have responded to the physical location to confirm if there are any issues. During peak times, the company hires security to monitor and patrol, including wristbands for renters to ensure the occupancy limits are maintained.

Further discussion led to ideas for closing documents/property transfers to include rules & regulations for short-term rentals. The creation of a packet to be distributed may help assist with compliance.

E. FIRE MARSHALL OR BUILDING INSPECTIONS

Discussion of the Building Inspector/Fire Marshal conducting audits or is complaint driven to ensure properties have proper fire detectors and are not reconstructed to accommodate more tenants that are safely allowed.

Concerns of City Inspectors are timely and one rental management company has a fire company inspect every year to check the fire extinguishers and smoke detectors on their rental properties. Discussions led to Home Inspections being required every year similar to restaurants, hotels, and bars. Concerns about properties that may convert a rental to have more rooms than designed to allow for more occupancy would create a fire hazard. Requiring a fire escape map plan was suggested as some properties do include them.

The short-term rental property registration should expand the questions category to include how many parking spaces, bedrooms, and occupancy. A rental management company does include in their agreement renters cannot exceed the occupancy limit at any time.

While there are many responsible rental owners/management companies, the need of using current resources to enforce the regulations should be utilized first before creating a new enforcement program.

Expanding the question categories would allow the City to be aware of the rental property's limitation on parking and occupancy limits. Years ago, the City provided a rental agreement example and if law enforcement is responding to a complaint the renter should be required to show a rental agreement.

Over the years, law enforcement has responded to many rental properties which led to vehicles being towed, arrests, and citations issued but allows the renters an opportunity to become compliant with education. This is the balance between educating and enforcement as a tourist destination. While the ordinance states the property owner that is responsible but is not being issued citations. The property owner is the responsible party to contact renters to become compliant.

Many property rental management companies provided much feedback and a better understanding of how they manage renters and any compliance issues.

F. MANAGER/OWNER RESPONSE TIME

G. SUSPENSION OF LICENSE

H. WEDDINGS/SPECIAL EVENTS RESTRICTIONS PARKING

A former wedding planner was against occupancy limits as there have been bachelorette events, yoga retreats, birthday events, and weddings that would bring more vehicles that could park in public parking spaces and guests.

A rental property owner is concerned with the 1-hour response time if he is further away. While the City ordinance requires another contact to be listed if there is an issue that requires the owner to be physically present. Officers should provide a courtesy check initially and if there is a repeat offense then the owner is on notice to help rectify the issue.

This concept was designed as best practices on what other Cities were doing. While other Cities listed 30 minutes as the response time, the Island has only one bridge, and traffic and officers have been very lenient when the owner is traveling to the property.

Property owners and managers should be responsible as some issues (i.e. house parties) prevent officers from physically entering the property. The 1-hour response time needs to be kept in the ordinance. A local contact is helpful and should be required.

Possible special event permit for small events was suggested to show the parking spaces, and occupancy and would prepare renters for weddings/large groups. A summer issue was a large group event in a residential area that had tents set up on empty lots and a band playing at 10:00 p.m. at night.

5.ADJORN.

There being no further business, Mayor McNulty adjourned the meeting at 7:26 p.m.



Angelique Soto, City Secretary

APPROVED





Patrick McNulty, Mayor