



Town of Old Orchard Beach
Office of the Town Manager

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**Town Council Lodging Conversion
Workshop**

Meeting Minutes

May 17th, 2023

I, Tim Fleury, Secretary to the Town Council of Old Orchard Beach, Maine, do hereby certify that the foregoing document consisting of 9 pages is a copy of the original minutes from the regular meeting of the Old Orchard Beach Town Council held on May 17th, 2023.

Prepared By:	Tim Fleury
Approved By:	Old Orchard Beach Town Council
Approval Date:	6/20/2023

Respectfully
Submitted,

Tim Fleury
Town Council
Secretary



Town Council Workshop Agenda

Wednesday May 17th, 2023, 6:00pm
Council Chambers - 1 Portland Avenue

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**Members of the public wishing to view the meeting from home may tune into Local Access TV (Channel 3 or 1301 - check with your provider) or by clicking the Meeting Videos link on oobmaine.com.)*

There will be a Town Council Workshop on Wednesday, May 17th, 2023, at 6:00pm to discuss amendments to Ch. 78, Art. VI, Secs. 78-518, 717, 747, 803, 833, 869, 993, 1023, 1134 and Art. VII, Sec. 78-1281. This is a new ordinance proposing regulations for lodging establishment conversions to condominiums.

Chair: Shawn O'Neill

Chairman O'Neill opened the workshop at 6:00pm and explained the purpose of the workshop.

Jeffrey Hinderliter, Town Planner, opened the workshop by addressing questions raised at the public hearing:

- Abutters' notifications – postcard in mail for 100ft abutters – notification does not change with proposed notification.

- How do abutters participate in the process? – Abutters can review submissions, submit written comments or come to meetings in person – 7-10 days in advance of meeting to give adequate time to review material and provide comment – planning board seldom makes decisions at public hearing meetings, take time to consider comments in decision meetings
- Can we enforce it as written? Jeffrey Hinderliter – yes, but will require staff education and track renewals – tried to make it enforceable beyond code enforcement office, condo associations have responsibilities to ensure criteria are met – try to avoid getting town involved in private ownership matters when authoring ordinances – unique situation with this ordinance
- Parking requirements mean surface or garage needed? Jeffrey Hinderliter – parking section of ordinance does not specify structure needed, off street with 2 parking spots per unit and 1 space per employee – conditional use includes other parking performance standards not specific to ordinance, town wide standards not specific,
- Which zones allow lodging? – Jeffrey Hinderliter – lodging uses (hotel, motel, breakfast/inn) – R2, DT 1, DT 2, GB 1, GB 2, NC 3, BFR (beachfront resort), Planned use development district (Dunegrass and surrounding school), Historic Overlay, NC 1, 2, 4 (only allow some lodging uses)
- Noncompliance? – Code officer can take any appropriate action to enforce ordinance, fines, revocation of license, any available tools.
- Kebek – Jeffrey Hinderliter - history – not a condo conversion, changed to apartments, use change should have been reviewed as subdivision site plan review – licensed, predated current code officer.

Jeffrey Hinderliter – last page of memo provided – proposed ordinance, applicable uses. If a lodging property is proposing to turn into condo

units = ordinance kicks in. Other projects: lodging units that continue to operate as lodging units do not apply unless they choose to convert to condos. New lodging use or expand an existing lodging use, not applicable unless converting to condos. Lodging units that convert to multi family buildings = change of use that needs to conform to other standards, occupancy standards change to dwelling unit, not lodging unit. If they are moving to dwelling use = different use classification that have applicable ordinances, density requirements that are different from lodging density requirements. Lodging density is much less than dwelling density. Lodging units converted before ordinance are considered grandfathered, they existed before the nonconforming rule. A sunset provision in the ordinance can be added but is legally complicated. Grandfathered units that were converted will have to comply with ordinance if changes are made that change from the grandfathered state.

Council questions:

Councilor Reid – Does condo management have to make sure condo is rented if owners are not occupying? Jeffrey Hinderliter – 305 days of year must be for non-owner occupancy but not guaranteed that it is rented out, only available to rent out – Councilor Reid – who checks on timeframe for enforcement? Jeffrey Hinderliter – condo association enforce timeframes; unit owners must provide documentation to secure license renewal that show compliance – Councilor Reid – shared facilities and common areas? – Jeffrey Hinderliter – yes, shared ownership rights – Chairman O’Neill – if unit is vacant, is that part of 305 days? – Jeffrey Hinderliter – yes – Chairman O’Neill – problematic enforcement from condo association – how is it regulated? – Jeffrey Hinderliter – tough to enforce, code enforcement not possible to monitor units on daily basis – unit owners must supply documentation of 305 availability or rented

when renewing license – Vice Chair Blow – 30 day longest rental, can check out, step out, and rent again for 30 more days – not enforceable for maximum stay – enforcement issues – allowing it in all lodging districts allows lots of potential spots – Jeffrey Hinderliter – condo law, can't restrict form of ownership – can't restrict locations condos are allowed – Vice Chair Blow – can happen anywhere? – interested in not allowing in certain spots in town and checking if it can be done – Jeffrey Hinderliter – subdivision of building into condos typically done for dwelling units, not lodging units – Vice Chair Blow – concern of neighbors, that places can continue to have turnover – Jeffrey Hinderliter – currently no regulation in town for those uses – ordinance intent allows same use of units but regulated with abutters input and more analysis – Vice Chair Blow – can regulations be set for time of year? – Jeffrey Hinderliter – yes – could make it seasonal or define months in ordinance – Chairman O'Neill – trying to figure out best way to proceed with conversions brought to town, doesn't see benefit to town in converting to condos – Councilor Mead – can't stop converting to condos – Vice Chair Blow – can control size of units – doesn't like trying to control what people do with their business/property but concerned about impact on area – hypothetical hotel with 30 units can convert into 15 units and keep size more suitable for dwelling – Jeffrey Hinderliter – can make ordinance more restrictive, just can't prevent ownership as condo – Vice Chair Blow – less of an issue if there were size restrictions and make it more of a dwelling – Rick Haskell – ordinance written to keep use as lodging use, year round dwelling use kicks in code issues – Councilor Mead – major concerns STR proliferation in these units – not encourage moving into 250 square foot unit for year round basis – regulation tough with enforcement – Councilor Mead – currently motels need how many parking spaces: 1 space, 2 spaces needed – existing motels for many years have winter residents renting units – enforcement on maximum stays is difficult – 2

year renewals review business license and operations – Vice Chair Blow – not illegal to rent 30 days, step out, and rent another 30 days – Councilor Mead – STR use – restrict number of consecutive weeks unit can be rented in other communities – Councilor Tousignant – square footage is the tool in controlling use – 1980s lodging units tried to become year round, renting year round, families renting motel units for winter, adding kids to schools, lodging units not adequate for winter rentals at the time, 350 sq/ft rule then to make it winter rentable – square footage is the tool needed to use to restrict units – cooking in units not safe for cooking, needs minimum square footage for units to help all other issues – would like to hear from public before it gets workshop continues so no one gets left out – going to be several workshops – Chairman O’Neill – opened to public

Steve Johnson – 2 Brisson Street – Kebek – how did seasonal hotel get turned into year-round rentals? – Neighbors not given notice of change of use – hotel wasn’t winterized – how was it allowed to convert into year-round rentals? – 235 square feet – homeowner association could police themselves, owner occupied units help to prevent issues, increased square footage makes it more available – Jeffrey Hinderliter – licensed by town – made mistake in licensing – Town Manager Asanza – prior to current code officer – license changed to year round prior to last year – Rick Haskell – licensed as year round hotel – no parking issues – Councilor Tousignant – mistake made by town – Steve Johnson – now year round and has year round issues – as current ordinances stand, every motel/hotel can convert to year round – Vice Chair Blow – yes – Steve Johnson – understand that can’t change past but have to look forward with these ordinances – Vice Chair Blow – HOA set by owners, not by town or neighbors – Steve Johnson – long term residents can help police units – rather have owners allowed to occupy longer times – Vice

Chair Blow – doesn't disagree, Jeffrey Hinderliter given guidance from past meetings to keep lodging driven ordinance – Vice Chair Blow – will take many workshops to make it through this ordinance – no issues having to compromise to get to solution – can take past mistakes into consideration moving forward, less impact but allows owner of motel to capitalize on investments, business standpoint – Steve Johnson – issues with out of town investments and leaving issues on neighbors in town

Peter Guidi – Seagrass Inn – ownership and business use two separate issues – hotels average about \$20k a unit for season, less costs for employees and increased upkeep, renting out units makes less money but with less costs – condos in Wells, cant use in winter time – STR concerns on affecting residential neighborhoods – careful with flooding school system

Mary Pat Donnellon – 8 Brisson – Jeffrey Hinderliter good job with ordinance and understand needs and aim or ordinance – Biarritz – made hotel rooms into dwelling units – like where ordinance is moving towards – if buying for living units would like to see requirements on size and other restrictions – long term units differ from STRs –

Jeffrey Hinderliter – ideas for next workshop – draft language to address unit size, owner occupancy, limiting timeframe, occupancy limits – can't prohibit condo form of ownership but in districts with residential use patterns fall into different categories – all will lead to more restrictive ordinance, can make it more restrictive and come back with draft standards – Chairman O'Neill – can't limit ownership? Purchase hotel as one piece of property and sell individual rooms as condo? Jeffrey Hinderliter – will clarify at the next workshop – Vice Chair Blow – can't stop owners from converting into condos? Jeffrey Hinderliter = correct –

Vice Chair Blow – can't tell purchaser of hotel that is can only be hotel in future – Chairman O'Neill – multiple owners for single piece of property – looking for seasonal to stay as seasonal – looking for benefits to town allowing conversions – concerns on impact to schools –

Closing remarks:

Councilor Tousignant – square footage of Biarritz? 235 sq/ft – need restrictions around 700 sq/ft – restriction on size helps eliminates problems – need to research size of average condo units – would like to see more dwellings/rentals and less business opportunities – properties being sold as business opportunities, not dwellings – doesn't want to restrict issues –

Vice Chair Blow – agree restrictions needed on size, like to know average condo size in area to set standard and limit issues – not looking to restrict owners capitalizing on investment and keep neighborhood issues down – leaning more towards restricting amount of times a condo can be rented – rented from Memorial Day to September

Tim Donnellon – 8 Brisson St – existing condos have minimum 30 day rental restrictions, but without management – ordinance allowing shorter rentals have on site management in written ordinance –

Chairman O'Neill – if hotel sold are they required to bring it up to code? If selling individual unit as condo, does it need to be brought up to code? – Question for next meeting –

Steve Johnson – separate code for hotel as opposed for long term rental? Kebek up to code? Would like to see it inspected to make sure if it is safe

for residents? Chairman O'Neill – will answer at next meeting –

Councilor Mead – asking Jeffrey Hinderliter to come back with specific language for size limits, winter use, etc.

Peter Guidi – OOB is full of different situations – each condo project could be handled as individual contract zone –

Chairman O'Neill closed the workshop at 7:44pm