

Minutes

TOURISM DEVELOPMENT AUTHORITY

Regular meeting

5:30 p.m. November 8, 2023

Board Meeting Room of Town Hall Annex, 105 E. Corbin St.



Present: Chair Matt Hughes, Dani Black and Victoria Pace

Staff: Planning and Economic Development Manager
Shannan Campbell

1. Call to order

Chair Matt Hughes called the meeting to order at 5:40 p.m. Planning and Economic Development Manager Shannan Campbell called the roll and confirmed the presence of a quorum.

2. Agenda changes and approval

Motion: Board member Victoria Pace moved to approve the agenda as presented. Board member Dani Black seconded.

Vote: 3-0.

3. Minutes review and approval

Minutes from regular meeting on August 23, 2023

Motion: Black moved approval of the minutes as submitted. Pace seconded.

Vote: 3-0.

4. Action items

A. TDA Partnership in Downtown Parking Study (\$2,500)

Campbell explained that a parking study was planned for the fall of 2020 but was shelved because of the pandemic and a lack of urgency because everyone was staying home. The last parking study was done by town staff in 2013. Recently the town has removed some parking and striped new parking spaces on King St. Campbell said the town doesn't know how many public parking spaces it has in its inventory. She noted the town has seen a lot more businesses, especially restaurants and bars, open in the past few years. The study would determine where the town can add spaces and how special events, such as Hog Day, impact parking. She said Orange County is considering expanding parking on their properties, especially at the courthouse, but they are also planning to expand building footprints. She noted that at its last meeting the Tourism Board pointed out that parking could become an issue in West Hillsborough and advised that area be included in the study. Campbell noted that public parking in West Hillsborough is limited: the large lot on South Nash St. is leased from the North Carolina Railroad, the Eno Mill and Eno River Brewery have restricted private parking, and there are only 70ish spaces at Gold Park, which sometimes becomes full.

Pace reiterated that parking in West Hillsborough should be included in the project and expressed concern at the estimated price of the study, but said she assumed it would be thorough. Hughes noted that the town usually budgets more than is needed for studies like this. Campbell shared Carrboro's parking study, done in

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2022, on the projector. She explained that if the full budgeted amount isn't spent that is good but that studies like this that include data collection, graphics, etc. can get expensive quickly.

Motion: Black moved to approve budget amendment to fund the \$2,500 request. Pace seconded.

Vote: 3-0.

Campbell confirmed that there was adequate fund balance to support the budget amendment.

5. Discussion items

A. Short Term Rentals FAQs

It was agreed more information about short term rentals was needed and that the definition of a rental lodging unit might be clarified. Campbell explained that the town currently has a maximum of 600 square feet for a home occupation and 800 square feet for an ADU (accessory dwelling unit). Both sizes are a little small and might be raised to 900sf or more and should be the same since those uses could occupy the same space as Black had pointed out in a previous meeting. She suggested the assumption that a home occupation takes place in one room is unrealistic. Hughes asked if the town could use a percentage of a residence's total footage rather than the number of square feet of the lodging unit. Black noted that if residents have a home occupation, they aren't allowed to have a short-term rental, but some residents might need both. Campbell said that restriction would apply only if a resident were running a business from home, not if he or she is simply working from home. Black said many people have both a home occupation and a short-term rental and should be able to do both if they aren't bothering the neighbors and following the rules. She also noted that many people have whole house short-term rentals. Campbell explained the town doesn't allow whole-house short-term rentals; those are considered as bed-and-breakfasts or hotels and need permits as such. Black said many people don't know about the square footage restrictions and would like to see an education/information campaign after the ordinance was cleaned up. Pace expressed concerns that accessibility and affordability are diminished if all the good real estate is bought up and rented out by people who don't live in town. Campbell agreed that short term rentals have been known in some places to impact affordable housing stock but also noted that they provide a unique opportunity in Hillsborough to 'live like a local'. She said that since there aren't many hotel rooms available short term rental is filling that gap for the time being.

Pace asked if the board's goal was to clarify the FAQ's. Black noted the board can't change the rules because it's part of the Unified Development Ordinance. Campbell described the changes to the FAQs she was proposing and said that the Planning Board and Town Board would be considering updates to the UDO that would align. Hughes said a maximum of two home occupations made sense, since two members of a household might be running two separate businesses from the home. He asked how a short-term rental owner remits a tax without telling the town where the units are, and how does the town ensure owners are remitting all the taxes that are owed. Black noted that the tax is usually collected by the platform and remitted. She pointed out that owners could potentially evade the tax by renting to repeat customers outside of third-party websites. She suggested the town could ask for reports from platforms such as Airbnb if tax evasion is suspected. When asked Campbell said she wasn't sure if Orange County Planning Department allows short term rentals in their jurisdiction. Black said she thought Chapel Hill no longer allows them.

Black suggested the board request the UDO be revised to allow a maximum of two home occupations.. She brought up the requirement that a person running a home occupation must live on the premises. Campbell noted that requirement might be hard to enforce but should be included. Pace asked if other parts of the FAQs needed clarification. Black said the board had covered the two parts she thought needed to be clarified.

6. Monthly reports

- A. Campbell had no updates or new occupancy tax figures to report.
- B. Board comments
There were none.

7. Adjournment

Black moved to adjourn the meeting at 6:25p.m. Pace seconded.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Shannan Campbell', followed by a long horizontal line extending to the right.

Shannan Campbell
Planning and Economic Development Manager
Staff support to the Hillsborough Tourism Development Authority

Approved: January 31, 2024