

**VILLAGE OF LAKE BLUFF  
COMMITTEE-OF-THE-WHOLE MEETING  
APRIL 10, 2017**

**APPROVED MINUTES OF MEETING**

The Village of Lake Bluff Board of Trustees met as a Committee-of-the-Whole (COW) in the Village Hall Board Room (40 East Center Avenue) on Monday, April 10, 2017. Village President O’Hara called the meeting to order at 6:30 p.m. and, in the absence of Village Clerk Aaron Towle, Deputy Village Clerk Drew Irvin called the roll.

The following were present:

Village President:	Kathleen O’Hara
Trustees:	Barbara Ankenman (arrived at 6:45 p.m.) Steve Christensen Mark Dewart Eric Grenier (arrived at 6:58 p.m.) John Josephitis William Meyer
Absent:	Aaron Towle, Village Clerk
Also Present:	Drew Irvin, Village Administrator Brooke Lenneman, Assistant Village Attorney David Belmonte, Police Chief Glen Cole, Assistant to the Village Administrator

**Non-Agenda Items and Visitors**

President O’Hara stated the COW allocates 15 minutes for those individuals who would like the opportunity to address the COW on any matter not listed on the agenda.

There were no requests to address the COW.

**Consideration of the Minutes from the February 27, 2017 Committee-of-the-Whole Meeting**

Trustee Josephitis moved to approve the February 27, 2017 COW Meeting Minutes as presented. Trustee Meyer seconded the motion. The motion passed on a unanimous voice vote.

**A Discussion Regarding Short Term Rentals**

President O’Hara introduced the agenda item and advised that concerns have recently been raised by community members about the operation of short-term rentals, such as Airbnb, in the community. The COW will hold a preliminary discussion on this matter with plans to conduct a more detailed discussion in the future.

At President O’Hara’s request, Village Administrator Drew Irvin reviewed the memorandum distributed in the COW packet. He stated Airbnb is a phenomenon that many communities are struggling with and the Village’s existing ordinances do not necessarily fit this new economic model. He reviewed prior discussions regarding Airbnb noting the Board had considered Airbnb regulations in February 2016

when there was only one known Airbnb in the Village. At that time the Board decided to allow the Airbnb to continue operating and monitor the community's reaction. The recent community concerns regarding multiple operational Airbnb units in the community have prompted the COW to further review regulations regarding the matter. Staff's memorandum lays out different interpretations of the zoning code that may apply, as well as existing code sections regarding hotels and taxation regulations. Village Administrator Irvin reviewed possible avenues for short-term rentals, which included transmitting a cease and desist letter to existing Airbnb operators with a 30 day grace period to accommodate current bookings. Currently, Staff is seeking direction as to how the COW wants to proceed.

Trustee Josephitis asked how many Airbnbs are operating in the Village. Village Administrator Irvin stated currently there are four short-term rentals listed on Airbnb operating in the R-4 and CBD zoning districts.

Trustee Christensen commented on the time it took for Airbnb operators to grow and asked if staff was aware of short-term rentals facilitated by other companies. Village Administrator Irvin stated Staff is not aware of any other short-term rentals.

Trustee Josephitis inquired of the length of stay offered by current operators. Village Administrator Irvin stated the length of stay ranges from nightly stay to longer minimum stay rentals.

In response to a question from Trustee Dewart, Village Administrator Irvin stated there are no traditional bed and breakfasts operating in the Village. The 1998 Teska study of the Central Business District did recommend the Village allow bed and breakfasts but current regulations does not provide for these type of operations.

Trustee Josephitis stated it was an intriguing idea to ask the neighbors for permission. Village Attorney Brooke Lenneman stated the petition process would be similar to the liquor license process; however, such a rule would risk being inconsistent in practice as homeowners and response to petitions will change overtime.

Trustee Josephitis expressed his opinion that such a practice would ensure property homeowners are aware of Airbnb units operating in the community. Village Attorney Lenneman advised that other communities publish a register, which residents could examine, to find out if an Airbnb is operating in their neighborhood.

Trustee Dewart stated a special use permit (SUP) could be another method used to provide public input. Village Administrator Irvin reviewed the SUP process and the Village's definition for neighboring properties and discussed examples of how many property owners typically fall within 300 feet, in practice.

Trustee Meyer commented on the draft cease and desist letter outlining his analysis of the issues which included adapting to the new sharing economy, neighbor's concerns, and the desire to protect property rights. He stated it was his opinion that the cease and desist letter should not be issued until the matter have been fully considered and discussed by the Board.

Trustee Josephitis expressed his agreement with Trustee Meyer.

Trustee Dewart commented on the best communication media that could be used to inform Airbnb operators that the subject is being discussed by the Board. The notification would give them an opportunity to consider the risk of having to cancel existing or future agreements depend on the Board's action. Village Administrator Irvin stated to reduce this disruption, the draft cease and desist letter provides a 30 day grace period to Airbnb operators so they can stop leasing their property.

Village Attorney Lenneman advised that the draft cease and desist letter may not be ideal if the Village may subsequently allow the same activity in the future.

Trustee Christensen agreed that he is not in favor of a cease and desist letter at this time because Airbnb is not a significant issue but could continue to grow in the future.

Trustee Ankenman arrived at 6:45 p.m.

Trustee Christensen stated Staff's memorandum advised that the Municipal Code could currently be interpreted to prohibit the operation of these establishments and he is concerned that the Village could be liability for not enforcing such a prohibition. Village Attorney Lenneman noted that there may be liability if the Village was aware of a significant life safety issue and failed to act, but such liability likely is not a concern if there are only four operating short-term rentals in the community.

Trustee Meyer expressed his belief there are no significant legal risk at this time and Staff should be directed to use the existing Village regulations to address any potential problems that may arise.

Trustee Dewart expressed his preference to receive examples of other communities that have attempted to regulate Airbnb.

Trustee Josephitis expressed his preference for additional information such as visual aids and examples of how other resort communities define short-term rentals, particularly those along Lake Michigan, as the Village is branded as a town by Lake Michigan.

Trustee Dewart expressed his agreement with Trustee Josephitis.

Trustee Ankenman commented on the "breakfast" aspect of these operations and asked if the food service component was or should be unregulated, or if they should be regulated differently if they do or do not provide food.

In response to comments from Trustees Christensen and Dewart, Village Attorney Lenneman stated many communities received tax revenue from short-term rentals.

Trustee Josephitis expressed his understanding that communities provide fines for non-compliance. Village Administrator Irvin stated under the existing zoning ordinance the Village may impose a fine of \$750 per day.

Village Attorney Lenneman reviewed inspection practices among nearby communities, including Chicago.

Following its discussion, it was the consensus of the COW not to issue the cease and desist letter. Staff was directed to research comparable communities and their processes regarding inspection, life safety

issues, etc. She stated public comments and more detailed information will be considered at the May 8<sup>th</sup> COW meeting.

President O’Hara opened the floor for public comments.

Peter Capp (resident) stated he did not move to Lake Bluff to live next to a transient hotel. The short-term rental operating in his neighborhood is in blatant violation of at least four different sections of the Municipal Code and he is shocked the COW will not direct Staff to issue a cease and desist letter. Mr. Capp stated he does not believe the outcome of the COW deliberations nor any of the input provided by him or his neighbors was considered during the meeting. He stated he found out about the short-term rental when he awoke to a stranger looking in his window. In his opinion his neighbor is showing blatant disregard for him, his family, the neighborhood, and the Village and that Village Staff will be very busy dealing with this issue over the next 30 days.

Trish Havrin (resident) stated she operates the short-term rental property, adjacent to Mr. Capp which is the subject of his concerns. Ms. Havrin reviewed the history of the property noting that she and her husband have worked hard to restore the property. She stated her teenager brings home more “transient guests” than her short-term rentals. Ms. Havrin conclude her comments noting the short-term rental is very safe and there are fire extinguishers on each level of the house.

President O’Hara stated the time allotted for public comment is limited and asked the remaining residents to provide their comments at the upcoming Village Board Meeting that will begin immediately after the COW adjourns.

Trustee Grenier arrived at 6:58 p.m.

**Adjournment**

As no further business came before the COW, Trustee Christensen moved to adjourn the meeting. Trustee Meyer seconded the motion. The motion passed on a unanimous voice vote and the meeting adjourned at 7:00 p.m.

Respectfully Submitted,

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Glen Cole  
Assistant to the Village Administrator