

April 19, 2024

From: Louise Barnes

To: Village of Empire Council – President Sue Palmer, Trustee Maggie Bacon, Trustee Meg Walton, Trustee Linda Chase, Trustee Tom Rademacher, Trustee Chris Webb, Trustee March Dye

Subj: Short-Term Rental Ordinance

I have regularly attended Village Council meetings, Planning Commission meetings, and Short-Term Rental Committee meetings; but I have had to step away from attending some of these meetings because what I hear upsets me. When I listen to certain representatives speak, I believe they are not working for the best interests of our community, but instead seem to be protecting their own personal interests. In particular, I believe certain representatives – as it pertains to a Short-Term Rental Ordinance - have a conflict of interest as demonstrated by their words and actions.

I have studied relevant sections of the Michigan Municipal League’s handbook on ethics. The handbook describes “conflict of interest” as a situation when the government official makes a decision in their government office capacity which also impacts his/her finances, relatives/family members, and proximity. These are minimum standards. I believe that there are conflicts of interest in that there are several people on the Village Council that own and operate short-term rental property. There are also people on the Planning Commission that own, operate and/or advertise properties for sale as short-term rental eligible investment property.

In November 2020, we worked with Planning Commissioner Ford (at that time she was not a member of the Planning Commission) to purchase property in the new Village of M22 development. Our property included a shared driveway easement for ingress and egress to the adjoining lot for access to a house yet to be built. We had no problem with sharing a driveway with a potential neighbor, but in no way did we want a short-term rental business sharing the driveway. So, we negotiated language into our purchase agreement that any house built next door and sharing our driveway be limited to a single-family residence. That is, no short-term rental.

Nonetheless, the house sharing our driveway was listed in July 2022 but did not close until September 2023. Ford stated in her listing of the property that there were no homeowner’s association fees and that a short-term rental was permissible. Despite our agreement for no short-term rental sharing our driveway, the property was sold on September 11, 2023, to a family from North Carolina with the intention to rent the property as a short-term rental. Luckily, shortly after closing, the new owner’s wife decided she did not wish to live and manage a short-term rental property in the Village of Empire, so the property was relisted and quickly sold to a different family who to date have used it as a seasonal home.

Not sharing a driveway with short-term renters is very important to me for personal reasons. With the help of the Leelanau County Sheriff's Department, I hopefully have resolved a long-standing problem with an individual who has been tracking me and stalking me for over 40 years – no matter where in the country I was living. Culminating in the spring of 2022 – shortly after we moved into our new home - this stalker tried contacting me over 14 times and had sent disturbing letters to let me know that he had been tracking my location. We contacted the Leelanau County Sheriff's Department who assisted us by contacting the individual and warned the individual to cease and desist his stalking activities. This history has made me very concerned and nervous about the potential of a parade of strangers (i.e., short-term renters) coming up and down my driveway.

When researching the Village of M22 development before purchasing our property, I discovered the November 19, 2019, minutes of the Leelanau County land bank. Ford, who at the time was the real estate agent working with Cornerstone Homes, explained the three marketing types for potential buyers targeted to live in the Village at M22: (1) young families – Empire is looking for young families who want kids in the Glen Lake School District; (2) downsizing buyer – a person who may have a larger home and wants to stay in Leelanau County but wants a smaller home; and (3) professionals – individuals who can live and work from anywhere. The point here is that these homes were meant to be affordable family homes.

The first 9 houses in the Village of M22 were built between 2020 and 2021. Internet research indicates the combined sold value of these homes was \$2,787,224. Today, these same homes are valued at \$4,394,000. Ford was the listing agent for the majority of these homes and has sold two of them twice. Additionally, I found listings between 2021 to 2024 where Ford was the exclusive agent – mostly in the Village at M22 and a few from the New Neighborhood. The point is that local home values have soared, but new home prices are inflating and becoming unaffordable for supporting a work force and young families wishing to own a home in the Village at M22 or the Village of Empire at large.

Some of Ford's real estate listings indicate that short-term rentals are permissible and currently no special permit is required. A couple of her listed properties in the New Neighborhood are listed as potential investment properties. When I attend the Short-Term Rental Ordinance Committee meetings it is clear that Ford – a real estate agent – espouses the Michigan REALTORS® view opposing zoning bans that preemptively tell property owners they are unable to rent their property on a short-term basis. So, she is actively promoting the short-term rental market which, I believe, is indicative of a conflict of interest on the Short-Term Rental Committee and negatively affects her ability to be objective.

Planning Commission Meeting minutes from December 13, 2022, indicates that a request was made to change the meeting's agenda to recommend that two Planning Commissioners be appointed to the Short-Term Rental Registration/Ordinance Development Committee and a zoning ordinance amendment to allow short-term rentals in residential districts.

The aforementioned zoning ordinance amendment recommendation came about after Zoning Administrator Robert Hall declared that short-term rentals are not permitted in the Village of Empire. Despite this fact, it seems the restriction had not been addressed in the past because, at least, in the historic part of the Village (some say) it's always been allowed and never enforced.

Today, short-term rentals have become popular because of COVID and the popularity of short-term booking companies like VRBO, Airbnb, and Booking.com, as well as investment speculation.

Notwithstanding the conflicts of interests and the lack of balanced representation on the Short-Term Rental Ordinance Committee, I am in support of a registration ordinance and a reasonable cap on the number of short-term rentals permitted in the Village of Empire. The timeliness of a reasonable resolution is paramount because in the Village of M22 – one of the few remaining places where additional homes are being built inside the Village of Empire - four spec homes were built by Cornerstone for sale across the street from my property. I'm told an additional six spec homes are planned by Leelanau Construction. So, my big concern is that without a Short-Term Rental Ordinance, it is a very real possibility these homes could all be sold to Short-Term Rental property owners or LLC investors.

So, I do see conflicts of interest and feel you should consult with the Village Attorney to determine if our local Village government is acting in a fiduciary manner to represent the whole of our Village.

Please protect the Village of M22 – do not allow these new spec homes to be purchased for short-term rental businesses. Let the Village of M22 become a community of families and homeowners who live, work, and play in the Village of Empire.

Respectively submitted,

Louise Barnes
Village of M22, S. Crescent Drive, Empire, MI