

ORDINANCE NO. 798

SHORT-TERM RENTAL ORDINANCE

**AN ORDINANCE TO AMEND APPENDIX A: ZONING ORDINANCE OF
THE CITY OF PETOSKEY**

THE CITY OF PETOSKEY ORDAINS:

- 1. Article II, Section 201 of Appendix A to the Petoskey Code of Ordinances is amended as follows:**

Hotel: Any building, structure or part thereof, which is used primarily for paid public lodging on a transient basis in which access to and from each room or unit is through an interior door. For purposes of this definition, the word transient means occupancy for less than 30 consecutive days.

- 2. Article II, Section 201 of Appendix A to the Petoskey Code of Ordinances is amended to add the following definitions:**

Bedroom: A room intended for sleeping or placement of a bed separated from other spaces in the dwelling unit and which includes a second egress opening. The following spaces do not qualify as bedrooms: kitchens; dining areas; gathering spaces such as living rooms, dens, family rooms; and attics or basements without egress meeting standards in applicable building, residential, and fire codes.

Dwelling Unit: A self-contained unit within a building that is designed for human occupancy and provides complete living facilities, including permanent provisions for sleeping, eating, cooking, and sanitation. "Dwelling Unit" does not include bed and breakfasts, hotels, motels, and boarding houses.

Motel: A building or group of buildings with three or more exterior entrances in which lodging is provided to transient guests, offered to the public for compensation, where access to and from each room or unit is through an exterior door, and the entire building or group of buildings is used solely for this function.

Short-term Rental (STR): A "Short-term Rental" is the making of occupancy available for any dwelling unit or portion thereof for a fee or other compensation for a term of less than 30 consecutive days, but not including bed and breakfast establishments, hotel rooms, motels, transitional housing operated by a non-profit entity, group homes such as nursing homes and adult foster care homes, and hospitals or other health care related facilities.

- 3. Article VIII, Section 801; Article IX, Section 901; Article X, Section 1001; Article XI, Section 1101; Article XXVI, Section 2601; Article XXIX, Section 2901; and Article XXX, Section 3001 of Appendix A to the Petoskey Code of Ordinances are amended to include Short-term rentals (STR) as a principal permitted use in the following zoning districts:**

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| a. §801 | B-1 Local Business District. |
| b. §901 | B-2 Central Business District (CBD). |
| c. §2901 | B-2A Transitional Business District. |
| d. §3001 | B-2B Mixed Use Corridor District. |
| e. §1001 | B-3 General Business District. |
| f. §1101 | B-3A Resort Commercial District. |
| g. §2601 | B-3B Business Industrial District. |

4. Article XVII – General Provisions of Appendix A to the Petoskey Code of Ordinances is amended to add the following section:

Section 1719 – Standards for Short-term Rentals.

- 1) For those zoning districts where short-term rentals are a principal permitted use, short-term rentals shall be located above the first story of the principal building.
- 2) Properties situated in any District in which short-term rentals are not a principal permitted use are not eligible to receive STR licenses. However, those properties that were properly licensed and operating as a short-term rental prior to December 18, 2023 permitted to continue operating as a short-term rental despite being in a District in which short-term rentals are not a principal permitted use, provided those properties comply with the requirements of this ordinance. The properties “grandfathered” are on file in the City Clerk’s Office. Upon transfer, licensure lapse or revocation of any licensed “grandfathered” property, the Licensee shall be deemed to have elected not to renew his or her STR license and to have intended to abandon the license, at which point the property is no longer a “grandfathered” property and no longer available for short term rental licensing.
- 3) Short-term rentals are required to meet all other provisions of Chapter 15 of the Petoskey Code of Ordinances, State of Michigan Building Code, International Property Maintenance Code and International Fire Code.
- 4) A short-term rental shall be required to provide one off-street parking space for an efficiency or one bedroom dwelling unit, two off-street parking spaces for two bedrooms or more and shall meet the provisions of Section 1704: Off-street parking and driveway curb-cut standards, with the exception of the B-2 (CBD) district where off-street parking is exempt.

5. Conflict and Severability Clause.

All ordinances, resolutions and orders or part thereof in conflict with the provisions of this Chapter are to the extent of such conflict hereby repealed, and each section of this Chapter and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of this Chapter.

6. Enactment and Effective Date.

This Appendix is hereby determined by the City Council to be immediately necessary for the interest of the City. Consistent with City Charter Sec. 6.3, the effective date of this Chapter shall not be less than fourteen (14) days after enactment and shall be published once within seven days after its enactment as provided by Charter.

Adopted, enacted and ordained by the City of Petoskey City Council this 20th day of January, 2025.

John Murphy
Its Mayor

Sarah Bek
Its Clerk