

# Minutes of EAST LYME SHORT TERM RENTALS AD HOC COMMITTEE REGULAR MEETING - 02/12/24

**Date and time:** 02/12/24 7:00 PM to: 02/12/24 8:37 PM

**Present:** Brooke Stevens, Recording Secretary, Anne Santoro, Greg McIntire, Gary Farrugia, Paul Formica, John Cellino, Gary Cicchiello, Absent:, Daniel Beachy , Anne Thurlow

**CC:** Absent:, Candace Carlson, Ex-Officio, Mark Zamarka, Town Attorney

**Location:** East Lyme Town Hall, Upper Meeting Room, 108 Pennsylvania Avenue, Niantic, CT, 06357

**Link:** <https://app.meetingking.com/meetings/410627>

## Topics

### 1. Call Meeting to Order and Pledge of Allegiance

**Note:** Ms. Santoro called the February 12th, 2024, Regular Meeting of the STR Ad Hoc Committee to order at 7:00 p.m. and led those assembled in the Pledge of Allegiance.

**Decision:** MOTION (1)

Mr. Formica moved to add the "Approval of the Public Hearing Minutes of January 29th, 2024," under item #3.  
Mr. McIntire seconded the motion.  
Motion carried, 6-0-0.

### 2. Public Delegations

**Note:** There were none.

### 3. Approval of Meeting Minutes

#### 3-1. January 29th, 2024, Regular Meeting Minutes

**Note:** see attached minutes.

[Minutes of EAST LYME SHORT TERM RENTALS AD HOC COMMITTEE REGULAR MEETING 01 29 24.pdf](#)

**Decision:** MOTION (2)

Mr. Farrugia moved to approve the Regular Meeting Minutes of January 29th, 2024, as submitted.  
Mr. McIntire seconded the motion.  
Motion carried, 6-0-0.

#### 3-2. January 29th, 2024, Public Hearing Minutes

**Note:** see attached minutes.

[Minutes of EAST LYME SHORT TERM RENTALS AD HOC COMMITTEE PUBLIC HEARING 01 29 24 \(1\).pdf](#)

**Decision:** MOTION (3)

Mr. McIntire moved to approve the Public Hearing Meeting Minutes of January 29th, 2024, as submitted.  
Mr. Cicchiello seconded the motion.  
Motion carried, 6-0-0.

### 4. Reports of Co-Chairs and Attorney Zamarka

#### 4-1. Granicus' Overview Assessment of STRs in East Lyme as of 2/24

**Note:** see attachment.

[Granicus webinar.pdf](#)

RECEIVED FOR RECORD  
EAST LYME, CT  
2024 FEB 13 P 4:39  
Candace Carlson  
TOWN CLERK

**Note:** Ms. Santoro attended a Granicus meeting and gained insights on short-term rentals and their impact on East Lyme. She noted that she will send the base info from the assessment of East Lyme that Granicus did, and the number of rentals is similar to the previous calculations made by Mr. McIntire.

The assessment included some of the following:

Data showed 171 listings in East Lyme, with a 15% year-over-year growth in short-term rentals.

STRs are advertised on multiple platforms, with around 100 platforms available worldwide.

171 listings represented 123 rentals, and if they expanded the borders of the town slightly to capture other relevant listings, that 171 went to 182.

There are rentals in the north end of town as well.

The median nightly rate of a rental is \$254.

97% are entire homes and a very small sliver of them are partial homes.

An important point made at the seminar, was the explosion of short-term rentals everywhere.

Another statistic presented is that when some type of regulation is introduced, 10% of short-term rental owners voluntarily comply.

And since 2011, 15 times the number of short-term rentals have been listed nationwide.

Part of the meeting was also to give them a little look at the services that this company can provide, such as registries and related computer services.

**Note:** The Committee briefly discussed how it would be interesting to see how short-term rentals affect conventional lodging options in East Lyme, like local hotels and motels.


#### 4-2. Report or Update by Attorney Zamarka, if any

**Note:** Mr. Zamarka was not in attendance.

**Note:** Ms. Santoro reported that Ms. Thurlow had a conversation with him about the two questions they have, Mr. Formica's question about long-term rentals and Ms. Santoro's question about non-conforming uses. Since Ms. Thurlow was also not in attendance, the Committee opted to revisit this item at their next meeting.

### 5. Co-Chairs Recommendation to Prepare a Status Report to Board of Selectmen, detailing the Committee's findings and deliberations ahead of the Wihbev court decision

**Note:** Mr. Cicchiello discussed his idea of preparing a status report detailing findings and deliberations for the Board of Selectmen, and Ms. Santoro discussed her outline of highlights which could be utilized to make this status report update.

 [4418\\_001.pdf](#)


#### 5-1. Discussion and Possible Editing of Sections of Draft Status Report Written by Committee Members

**Note:** The Committee reviewed the individual draft reports prepared.


**Note:** Mr. McIntire and Mr. Farrugia's draft report.

[https://docs.google.com/document/d/1v0n-fM\\_nTvquqG\\_07lqqpcufMi6lfiN493kpQ-oXKGo/edit?usp=sharing](https://docs.google.com/document/d/1v0n-fM_nTvquqG_07lqqpcufMi6lfiN493kpQ-oXKGo/edit?usp=sharing)

**Note:** Ms. Santoro's draft report on the noise ordinance and parking.

 [STR Committee Status Report to BOS--Draft 2 6 24 \(1\).docx](#)


**Note:** Mr. Cicchiello's draft report on not changing current town laws.

 [4420\\_001.pdf](#)

**Note:** Ms. Thurlow's draft report on STR regulation.

 [REGULATION OF SHORT TERM RENTALS \(1\).pdf](#)

**Note:** Mr. Formica's draft report on filling annual paperwork with the Assessor's office.

 [4419\\_001.pdf](#)

**Task:**  The Committee discussed involving beach community associations in the conversation about short-term rentals and Mr. Formica said he would reach out to the different associations.

*Owned by Paul Formica*

**Note** The Committee discussed how the Town Assessor's office could play a role in managing short-term rentals through taxation. Ms. Santoro said if the Assessor takes action, this is another example of how the Zoning regulations need to be updated.

**Note** Mr. Formica concurred that town practices need to be sync with town regulations.

**Note** The Committee considered the definition for short-term rentals and agreed that it's generally accepted as rentals under 30 days.

**Note** The Committee briefly revisited their debate on the effectiveness of zoning regulations versus town ordinances in regulating short-term rentals.

## 5-2. Discussion and Determination of Other Sections of Status Report to be Drafted, if Necessary

**Note** In their discussion of preparing a status report the Committee discussed incorporating public suggestions, and drafting reports to summarize their findings on various topics, including the framework of regulations, public opinion, and research on other municipalities. They emphasized the importance of a collaborative writing process, legal considerations, and the selection of key reading materials.

The Committee also discussed the potential need to engage with the Zoning Commission to align recommendations with existing regulations.

**Note** Knowledge points and discussion of a written final report to be completed separately from the brief status report for the Board of Selectmen included:

The webpage as a public resource- the webpage serves as a public resource for tracking the committee's progress and topics covered from the start.

Inclusion of Community Suggestions and input.

Drafting Process- the process involves starting with a charge, using the webpage for detailed information, and drafting reports to summarize findings.

Framework Discussion- discussion on the framework involving beaches, towns, neighborhoods, existing law, and the assessor's office.

Public Opinion and Participation- Acknowledgment of the significant public opinion and participation through hearings, emails, and department heads' involvement.

Regulation Narrowing- Mr. McIntire and Mr. Farrugia research narrowed down the world of regulation, focusing on whether to proceed via ordinance or zoning.

Research on Other Municipalities- research included looking at other Connecticut municipalities, with Lyme's approach to zoning regulation highlighted.

Collaborative Writing Approach- the writing process for the report is collaborative, with a preference for a few individuals to draft and then circulate for comments.

Ms. Santoro volunteered to review the information as discussed and draft a report for Committee consideration and comments.

Legal Questions and Key Reading Materials- the Committee debated the importance of selecting key reading materials for the Board of Selection, such as the Granicus report, SCCOG report, and the San Antonio, Texas article.

**Note** The Committee discussed utilizing their previous list of goals for a report, along with a mission statement of what they're trying to achieve.

## 6. Schedule Future Meeting(s) and Status Report Presentation to Board of Selectmen

**Note** Ms. Santoro said she will contact the Board of Selectmen to see if their update can be added to a future agenda. The Committee discussed the importance of obtaining feedback and further direction from the Board of Selectmen.

### 6-1. Regular Meeting(s)

**Note** The Committee will next meet on Tuesday, February 26th, 2024, at 7:00 p.m., in Conference Room #1, of the East Lyme Town Hall.

## 7. Reports of Co-Chairs

**Note** Ms. Santoro said on February 23rd, 2024, Attorney Zamarka is going to a presentation about short-term rentals, which is being held by the Federal Bar Association.

**Note** Mr. Cicchiello had nothing to add.

## 8. Committee Member & Ex-Officio Comments

**Note** Mr. Cellino further discussed involving the Zoning Commission in their discussions and how regulation can be enforceable.

**Note** Mr. Formica discussed how he fills out an annual report for his long-term rental with the Assessor's Office, since it's part of an LLC. He added that no rentals are currently permitted per the Zoning Regulations, and how this filing with the Assessor's Office is a direct conflict, and a constitutional case argument could be made.

**Note** The Committee discussed the possibility of expanding the bed and breakfast concept and Mr. Farrugia noted that Ledyard's approach to this issue is worth taking a deeper look at.

## 9. Adjournment

**Decision** MOTION (4)

Mr. Formica moved to adjourn the February 12th, 2024, Regular Meeting of the STR Ad Hoc Committee at 8:37 p.m.

Mr. Cicchiello seconded the motion.

Motion carried, 6-0-0.

**Note** Respectfully Submitted,  
Brooke Stevens, Recording Secretary

**New Tasks**

**Task**  The Committee discussed involving beach community associations in the conversation about short-term rentals and Mr. Formica said he would reach out to the different associations.

*Owned by Paul Formica*

EAST LYME STR COMMITTEE  
POSSIBLE TOPICS TO ADDRESS/SUMMARIZE  
FOR STATUS REPORT TO SELECTMEN  
2/12/24—A. SANTORO

1. Selectmen's Charge to Committee
2. Definition of STR and overview of STRs in Town
3. Existing legal framework in Town and in our beach communities relevant to STRs
4. Wihbey and related outstanding legal questions
5. Public opinion in Town to date—2 Hearings, Delegations, Emails
6. Relevant Town Department Head information and opinion—Z.O., F.M., Police Chief, B.O.
7. TBD-Info and opinion from government officials/zoning officers from beach communities
8. Committee goals to date
9. If STRS are specifically regulated-where would they be allowed, what might be regulated, and how would this be accomplished?
10. Assessment issues—filings and taxes as allowed businesses
11. Relevant examples from other (CT) municipalities
12. Committee webpage and key reading materials

## **REGULATION OF SHORT TERM RENTALS (STRs)**

Having considered numerous materials and documents submitted into the record, including views on using a town ordinance as a regulatory vehicle, regulating STRs through the Zoning Department makes a lot of sense, as long as the regulations are enforced. A town ordinance for land use would be a “one size fits all” approach and may not be in the best interest of East Lyme, as our community is made up of many unique residential neighborhoods. STRs by their very nature are a commercial business, similar to hotel/motel use. They are obviously a better fit for business and commercial zones, rather than the commercialization residential zones. On the other hand, our beach communities have a long history of renting out houses, especially during the summer. It makes sense for these communities (there are 3) to continue enacting their own zoning regulations, reflecting the wishes of their residents and then enforcing those regulations.

Town ordinances could be used for certain aspects of regulation, such as parking, noise, safety, registration, permitting, etc. The cost of additional staffing would be offset by registration fees and fines for noncompliance.

## **MISCELLANEOUS**

### **THOUGHTS ON LONG TERM VS SHORT TERM RENTALS**

Historically, long term residential rentals have always existed, been allowed, and have never been an issue in East Lyme. STRs became an issue because of their commercial nature and transient clientele.

### **NONCONFORMING/PREEXISTING**

Nonconforming/preexisting use may not apply to STRs, as they have always been an illegal use, (with the possible exception of the 3 beach communities that have their own zoning regulations) according to the Zoning Director.

## **DRAFT**

### SHORT TERM RENTAL AD HOC COMMITTEE

Community Goals brought forth for discussion

Establish improvements for the two business districts-

-Niantic Village-

- Yale Charette 2023-

-Manage summer seasonal tourism increase

- improve pedestrian access and safety by ..

- slowing traffic, creating increased off main street parking

-Manage our annual summer seasonal tourism increase..

- Public rest areas

- Main St gathering space at former Dominion/PD Building

- Added seasonal staff and Police officers

-Groups such as Niantic Main St and others are working to create events specically designed to bring

more visitors and town residents to enjoy Niantic -

Niantic Playhouse- Childrens Museum -Marina District -Niantic Inn- Boardwalk - retail shops and restaurants-

-Flanders Village-

Highway District development-

Costco / Future site pads / improve business,traffic flow and pedestrian access from Flanders Four Corners to Stop and Shop area-

New apartment complexes for residents- Improve safety at highway interchanges and hotel access points

I have included the previous information as a way to point out that Short Term Rentals and tourism have played a significant part in the development of East Lyme for decades. The pandemic drove housebound people to increased use of the internet to help manage their daily lives. New and improved online apps were developed and allowed for easier and faster access to all goods and services including the availability of short term rental units. Prior to this,most STR rentals were in shoreline communities made available on a limited basis to help suppliment homeowners income and were rented mostly by people living in inland Ct.



## **DRAFT**

Our many Beach Associations are made up of second homes for this purpose.

Growing up in Cheshire I have pictures of my parents taking me to the Saybrook shore for vacation in a small rented cottage on the beach over 60 years ago.

The increase in interest in STR driven by these websites and new technology has led to an increase in STR rentals and availability. There are growing concerns from communities and residents about the behaviors of these short term renters especially along the shore. This committee has suggested that Information should be gathered about these rentals to help community leaders obtain a greater awareness of issues that need attention and for neighbors to be able to peacefully enjoy their neighborhoods .

Longer term rentals, either academic( generally 8 or so months usually in the off season so that the homes are either available as STR or for owners use) or fully year round rentals, have long supported communities across our country and here in Ct and East Lyme. As they are less transient than STR they are not drawing the same attention as STR are.

My quick review of the East Lyme Zoning regs have not found any mention for long term rentals nor STR however there is mention of Bed and Breakfast, duplexes and other businesses as *permitted* uses in all residential zones.

The town Assessor's website lists a variety of forms required to be filled out describing various and specific uses, most that when filled out are evaluated for the purpose of generating tax revenue for the town.

Two in particular state that CGS 12-63c/d requires that these forms be filled out annually by "*all owners of rental real property*" to file these reports though the "*expenses shall not be a public record and is **not** subject to FOI in the CGS.*"

Both forms are headed as *Annual Income & Expense Reports* though one seems geared toward *apartment and leased rentals*, where the other seems specific to *Hotel and Motel Properties* and is a bit less involved.

Concentrating on and utilizing the Hotel/Motel form would seem to me to be a way to achieve many of the this Committee's stated objectives as to registering and tracking STR as a permitted but controlled use in East Lyme.

The form requires all of the Committee's suggestions regarding ownership

## ***DRAFT***

be rented as well as occupancy and revenue/ expense data. There is no fee associated with filing of this form.

This seems to me to be all the necessary data that would be needed to track STR uses in town and we could achieve our objectives with a slight modification of the form's title by adding STR or something similiar.

—In conclusion, there are current zoning regulations and town ordinances in addition to the forms mentioned above that exist in East Lyme that if given a bit more attention could be adequately used to track STR. I believe this combination will go a long way to increasing awareness and the control of the behaviors of STR while keeping all the benefits that STRs bring for the Town, its residents and businesses. Neighborhoods will benefit knowing that with the support of town hall their way of life will not be negatively impacted rather they will be supported as will our growing population and tax base.

Paul Formica



**TOWN OF EAST LYME  
ASSESSOR'S OFFICE**

**2022  
ANNUAL INCOME AND  
EXPENSE REPORT**

**RETURN TO:**

Assessor's Office  
Town of East Lyme  
PO Box 519  
Niantic, CT 06357-0519  
Tel (860) 739-6931

**April 6th, 2023**

Dear Property Owner:

The Assessor's Office is preparing for the 2026 revaluation of all real property located in East Lyme. In order to fairly assess your real property, information regarding the property income and expenses are required. Connecticut General Statute 12-63c requires all owners of rental real property to **annually** file this report. The information filed and furnished with this report will remain confidential in accordance with SS 12-63c(b), which provides that actual rental and operating expenses shall **not** be a public record and is **not** subject to the provisions of SS1-210 (Freedom of Information) of the Connecticut General Statutes.

Please complete, sign and return the completed form to the East Lyme Assessor's Office **on or before June 1, 2023**. In accordance with Section 12-63c(d), of the Connecticut General Statutes, as amended, any owner of income-producing real property who fails to file this form, or files incomplete or false information with intent to defraud, shall be subject to a penalty assessment representing a ten percent (10%) increase in the assessed value of such property.

**WHO SHOULD FILE** All individuals and businesses receiving this form should complete and return this form to the Assessor's Office. All properties, which are rented or leased, including commercial, retail, industrial and residential properties (except – "such property used for residential purposes, containing not more than six (6) dwelling units **and in which the owner resides**") **must** complete this form. If the property is partially rented and partially owner-occupied this report **must** be filed. If you believe that you are not required to fill out this form, please call the number listed above to discuss your special situation.

**If your property is 100% owner-occupied, or 100% leased to a related corporation, business, family member or other related entity, please indicate by checking the following box.**

**Please complete and return to the Assessor's Office  
on or before June 1, 2023**

**Town of East Lyme  
Assessor's Office  
Hotel and Motel Properties  
Income and Expense Survey for Calendar Year 2022**  
Information provided is CONFIDENTIAL, in accordance with Connecticut Law.

Property Name (if applicable) \_\_\_\_\_  
 Property Address \_\_\_\_\_  
 Form Preparer/Position \_\_\_\_\_  
 Telephone Number \_\_\_\_\_

**General Data**

Number of Available Rooms \_\_\_\_\_

Room Configuration (number of rooms in each category) / Rates		
<u># Units</u>	<u>Rent/day/unit</u>	<u>Rent/week/unit</u>
Single	_____	_____
Double	_____	_____
King	_____	_____
Suite	_____	_____
Other	_____	_____

Annual Occupancy \_\_\_\_\_

Annual Average Daily Rate (ADR) \$ \_\_\_\_\_

Segmentation of Annual Occupancy				
<u>Transient</u>	<u>Corporate</u>	<u>Group</u>	<u>Other</u>	<u>Total</u>
Percentage of Annual Occupancy				100 %
ADR for Segment				

**Annual Department Revenue:**

Rooms \$ \_\_\_\_\_  
 Conference Facilities \$ \_\_\_\_\_  
 Food and Beverage \$ \_\_\_\_\_  
 Telephone \$ \_\_\_\_\_  
 Minor Operated Departments \$ \_\_\_\_\_  
 Miscellaneous Rentals and Other Income \$ \_\_\_\_\_

**Total Annual Revenue** \$ \_\_\_\_\_ (1)

**2022 Annual Costs and Expenses:**

Heating/Air Conditioning	\$ _____	
Telephone	\$ _____	
Electricity	\$ _____	
Cable	\$ _____	
Food and Beverage	\$ _____	
Supplies	\$ _____	
Maintenance	\$ _____	
Leased Equipment	\$ _____	
Marketing (advertising)	\$ _____	
Insurance	\$ _____	
Security	\$ _____	
Legal and Accounting	\$ _____	
Payroll (except management, repair & decorating)	\$ _____	
Other (specify) _____	\$ _____	
Other (specify) _____	\$ _____	
Other (specify) _____	\$ _____	
<b>Total Operating Expenses</b>	\$ _____	(2)
<b>Gross Operating Profit (1 – 2)</b>	\$ _____	(3)
Management Fees	\$ _____	(4)

**Fixed Operating Charges:**

Real Estate Taxes	\$ _____	
Personal Property Taxes	\$ _____	
Property Insurance	\$ _____	
Reserve for Capital Replacement	\$ _____	
<b>Total Fixed Charges</b>	\$ _____	(5)
<b>Income Before Other Fixed Charges<sup>1</sup> (3 – 4 – 5)</b>	\$ _____	

Total Number of Room Nights Available in 2022 \_\_\_\_\_

Total Number of Room Nights Sold in 2022 \_\_\_\_\_

Comments or Additional Information (may be attached):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature/Position Date

<sup>1</sup> Income before deducting Depreciation, Rent, Interest, Amortization and Income Taxes.

Town of East Lyme  
PO Box 519  
Niantic, CT 06357-519  
Tel (860-739-6931)



## 2022 ANNUAL INCOME & EXPENSE REPORT

Dear Property Owner:

The Assessor's Office is preparing for the 2026 revaluation of all real property located in East Lyme. In order to fairly assess your real property, information regarding the property income and expenses are required. Connecticut General Statute 12-63c requires all owners of rental real property to **annually** file this report. The information filed and furnished with this report will remain confidential in accordance with SS 12-63c(b), which provides that actual rental and operating expenses shall **not** be a public record and is **not** subject to the provisions of SSI-210 (Freedom of Information) of the Connecticut General Statutes.

Please complete, sign and return the completed form to the East Lyme Assessor's Office **on or before June 1, 2023**. In accordance with Section 12-63c(d), of the Connecticut General Statutes, as amended, any owner of income-producing real property who fails to file this form, or files incomplete or false information with intent to defraud, shall be subject to a penalty assessment representing a ten percent (10%) increase in the assessed value of such property.

**WHO SHOULD FILE:** All individuals and businesses receiving this form should complete and return this form to the Assessor's Office. All properties, which are rented or leased, including commercial, retail, industrial and residential properties (except – "such property used for residential purposes, containing not more than six (6) dwelling units and in which the owner resides") **must** complete this form. If the property is partially rented and partially owner-occupied this report **must** be filed. If you believe that you are not required to fill out this form, please call the number listed above to discuss your special situation.

**If your property is 100% owner-occupied, or 100% leased to a related corporation, business, family member or other related entity, please indicate by checking the following box.**

**HOW TO FILE:** Each summary page should reflect information for a single property for the calendar year 2022. If you own more than one (1) rental property in East Lyme, a separate form must be filed for each property in this jurisdiction. An income and expense report summary page and the appropriate income schedule must be completed for each rental property.

**Schedule A** must be completed for apartment unit rentals. **Schedule B** must be filed for all other types of rental properties.

**GENERAL INSTRUCTIONS/TERMINOLOGY** Complete these forms for all rented or leased commercial, retail, industrial or combination use property. Identify the property, address and indicate the use of the leased space. (ie: office, retail, warehouse, restaurant, garage, etc.) Provide information for the calendar year 2022. All space should be accounted for including vacant space and/or owner-occupied areas in both **Schedule A** and **Schedule B**.

**ESC/CAM/OVERAGE** **Escalation:** Amount, in dollars of adjustment to base rent either pre-set or tied to the Inflation Index.

**CAM:** Income received from common area charges to tenant for common area maintenance, or other income received from the common area property, such as from ATMs, kiosk, etc.

**Overage:** Additional fee or rental income. This is usually based on a percentage of sales or income.

**Property Expenses and Utilities Paid by Tenant:** Indicate the expenses and utilities the tenant is responsible for.

**Option Provisions/Base Rent Increase:** Indicate the percentage or increment and time period.

**Verification of Purchase Price Form:** Form must be completed if property was acquired on or after October 1, 2022.

**All property owners must sign and return this form to the Assessor's Office on or before June 1, 2023 to avoid the ten percent (10%) assessment penalty.**



# 2022 ANNUAL INCOME AND EXPENSE REPORT SUMMARY

Owner \_\_\_\_\_  
 Mailing Address \_\_\_\_\_  
 City / State/ Zip \_\_\_\_\_

Property Name \_\_\_\_\_  
 Property Address \_\_\_\_\_  
 Map / Block / Lot \_\_\_\_\_ (Fill in from the Front Ins

1. Primary Property Use (Circle One) (A) Apartment (B) Office (C) Retail  
 2. Gross Building Area (Including Owner-Occupied Space) \_\_\_\_\_ Sq. Ft.  
 3. Net Leasable Area \_\_\_\_\_ Sq. Ft.  
 4. Owner-Occupied Area \_\_\_\_\_ Sq. Ft.  
 5. Number of Units \_\_\_\_\_

- (D) Mixed Use (E) Shopping Center (F) Industrial (G) Other \_\_\_\_\_  
 6. Number of Parking Spaces \_\_\_\_\_  
 7. Actual Year Built \_\_\_\_\_  
 8. Year Remodeled \_\_\_\_\_

## INCOME – 2022

9. Apartment Rental (From Schedule A) \_\_\_\_\_  
 10. Office Rentals (From Schedule B) \_\_\_\_\_  
 11. Retail Rentals (From Schedule B) \_\_\_\_\_  
 12. Mixed Rentals (From Schedule B) \_\_\_\_\_  
 13. Shopping Center Rentals (From Schedule B) \_\_\_\_\_  
 14. Industrial Rentals (From Schedule B) \_\_\_\_\_  
 15. Other Rentals (From Schedule B) \_\_\_\_\_  
 16. Parking Rentals \_\_\_\_\_  
 17. Other Property Income \_\_\_\_\_  
 18. TOTAL POTENTIAL INCOME (Add Line 9 Through Line 17) \_\_\_\_\_  
 19. Loss Due to Vacancy and Credit \_\_\_\_\_  
 20. EFFECTIVE ANNUAL INCOME (Line 18 Minus Line 19) \_\_\_\_\_

## EXPENSES – 2022

21. Heating/Air Conditioning \_\_\_\_\_  
 22. Electricity \_\_\_\_\_  
 23. Other Utilities \_\_\_\_\_  
 24. Payroll (Except management, repair & decorating) \_\_\_\_\_  
 25. Supplies \_\_\_\_\_  
 26. Management \_\_\_\_\_  
 27. Insurance \_\_\_\_\_  
 28. Common Area Maintenance \_\_\_\_\_  
 29. Leasing Fees/Commissions/Advertising \_\_\_\_\_  
 30. Legal and Accounting \_\_\_\_\_  
 31. Elevator Maintenance \_\_\_\_\_  
 32. Security \_\_\_\_\_  
 33. Other (Specify) \_\_\_\_\_  
 34. Other (Specify) \_\_\_\_\_  
 35. Other (Specify) \_\_\_\_\_  
 36. TOTAL EXPENSES (Add Lines 21 Through 35) \_\_\_\_\_  
 37. NET OPERATING INCOME (Line 20 Minus Line 36) \_\_\_\_\_  
 38. Capital Expenses \_\_\_\_\_  
 39. Real Estate Taxes \_\_\_\_\_  
 Taxes Paid by: Owner \_\_\_\_\_ or Tenant \_\_\_\_\_  
 40. Mortgage Payment (Principal and Interest) \_\_\_\_\_  
 41. Depreciation \_\_\_\_\_  
 42. Amortization \_\_\_\_\_

**RETURN TO THE ASSESSOR ON OR BEFORE JUNE 1, 2023 TO AVOID THE 10% PENALTY**



# VERIFICATION OF PURCHASE PRICE

(Complete if the property was acquired on or after October 1, 2022)

PURCHASE PRICE \$ \_\_\_\_\_ DOWN PAYMENT \$ \_\_\_\_\_ DATE OF PURCHASE \_\_\_\_\_

FIRST MORTGAGE	\$ _____	INTEREST RATE _____ %	PAYMENT SCHEDULE TERM _____ YEARS
SECOND MORTGAGE	\$ _____	INTEREST RATE _____ %	PAYMENT SCHEDULE TERM _____ YEARS
OTHER	\$ _____	INTEREST RATE _____ %	PAYMENT SCHEDULE TERM _____ YEARS

(Check One)	
Fixed	Variable

DID THE PURCHASE PRICE INCLUDE A PAYMENT FOR: Furniture? \$ \_\_\_\_\_ (VALUE) EQUIPMENT? \$ \_\_\_\_\_ (VALUE) OTHER (SPECIFY) \$ \_\_\_\_\_ (VALUE)

WAS THE SALE BETWEEN RELATED PARTIES? (CIRCLE ONE): YES NO APPROXIMATE VACANCY AT DATE OF PURCHASE \_\_\_\_\_ %

WAS AN APPRAISAL USED IN THE PURCHASE OR FINANCING? (CIRCLE ONE): YES NO APPRAISED VALUE /NAME OF APPRAISER \_\_\_\_\_

PROPERTY CURRENTLY LISTED FOR SALE? (CIRCLE ONE) YES NO

IF YES, LIST THE ASKING PRICE \$ \_\_\_\_\_ DATE LISTED \_\_\_\_\_ BROKER \_\_\_\_\_

Remarks - Please explain any special circumstances or reasons concerning your purchase (i.e., vacancy, conditions of sale, etc.) \_\_\_\_\_

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**DISCUSSION FOR NOT CHANGING CURRENT TOWN LAWS and  
NOTICE THAT MORE FACT-FINDING IS NEEDED BY COMMITTEE**

**By: Gary Cicchiello**

Many residents and property owners have voiced their positions about short-term rentals either by telling us in person at public hearings, or dropping us an email. The majority of comments have been from owners of short-term rentals who have told us what a wonderful experience it has been for them to host visitors from near and far; to host visitors who need a large place for families to attend Coast Guard Academy graduations, family reunions, girls' weekends, traveling nurses, and romantic getaways. These same short term rental owners explained in great detail the efforts they take to be that five-star host raved about on Airbnb. Without being able to rent their properties out on a short-term basis, the short-term rental owners implored that they would never be able to afford to own their property. Therefore, the argument goes, they must be allowed to continue to operate short-term rentals so they can make the money necessary to pay the exorbitant taxes and maintenance costs associated with beach property. The short-term rental owners came across as sincere people who are trying to do the right thing to make sure that their right to rent their property is not infringing upon the rights of their neighbors to peacefully enjoy their property. However, the line between competing rights is always blurred, and when money is involved things can get ugly; this is where the issue of short-term rentals exists.

On the other hand, there were many comments from neighbors of short-term rental beach properties who described real quality of life disruption and frustration of living next to a steady stream of rude, loud, and obnoxious, transient hotel guests. The late-night noise, the uncollected trash, excessive numbers of transients crammed into these residential make-shift hotels, and the parking problems – too many cars and narrow streets, not enough spaces. The frustration coming from these neighbors was palpable. They didn't sign up for this type of residential community when they bought their idyllic beach homes not so long ago when one knew who one's neighbors were. They believed that they bought homes in single family districts, where they could raise a family, have a second home, or retire in a quite community. They invested in a town that had zoning laws, and they relied upon those zoning laws to keep their communities the refuge that they reasonably believed they were.

One person's comments, delivered conversationally, and heartfelt, were particularly troubling. During our last public hearing a few weeks ago, Patty Burns walked up to the podium for her unenforced three minutes of comments on this issue. Without notes, she spoke from the heart and explained how she has been coming to town for sixty years, and that it is her "happy place," with Oak Grove Beach being the "happiest of places in the world" for her. In fact, she had plans to retire to Oak Grove; however, she feels that her community is changing for the worse, and she is now questioning whether retiring here is even an option because it is no longer the same place that she has loved for a lifetime. She cited the rising proliferation of short-term rentals in her beach community as the culprit for the negative impact upon her community. Because of these negative changes, she is seriously considering looking for another town to replace the happy place in which she spent a lifetime finding calm and forging relationships. She finds it extremely disheartening that there is a good possibility that she will have to find another place to live, and only time will tell if she will find a new home with such meaning as Oak Grove. No one else voiced the same sentiment, but it made me wonder that if a woman with 60 rich years spent in East Lyme could feel this way and leave it behind, would others follow?

These are the competing forces presented by the sudden exponential growth of short-term rentals, not only in little East Lyme, but in communities around the world. East Lyme finds itself at a crossroads. What do we, as a town, do with short-term rentals? Any cursory reading on this issue will reveal that communities around the globe are tackling this very issue, and that short-term rentals are not something which towns are welcoming with open arms. In fact, of the municipalities that are considering this issue, the large majority of them are writing laws to ban, restrict, or regulate this phenomenon as if an invasive species. Owners of short-term rentals are not simply accepting regulations though. Disgruntled by overly burdensome and restrictive regulations, short-term rental owners are now on the offensive; they are combining resources to hire lawyers to take municipalities to court to fight for their unfettered right to rent on a short-term basis without regulations. Needless to say, the court decisions are as varied as the language of the local zoning laws which come before the courts, and consequently, unreliable for policy-makers.

When Patty Burns made her comments to the committee, she probably did not realize how impactful her words were going to be. She also commented that she is worried not only about the current adverse changes in the character of the town caused by short-term rentals, but she is also concerned about these changes "down the road." She is right to be concerned about the future impact of short-term rentals on our town. As a committee considering the future of short-term rentals in town, we must look not only to the impact they have on our communities today, but more importantly, how will they impact our town in the future. Those of us who live in town now are simply stewards of the town for our future generations. Any recommendation made by this committee must necessarily consider the future impact short-term rentals will have on the quality of life for future generations.

The first place to begin our analysis is to look to our zoning regulations. According to the regulations, and our Zoning Official, William Mulholland, current regulations do not allow for the short-term rental of residential property. Therefore, under our zoning laws, all short-term rentals are in violation of our zoning regulations. East Lyme also has a zoning law which allows certain home occupations to be performed in a single-family home. Interestingly, that zoning regulation specifically precludes "tourist homes" from being operated as a home occupation. A "tourist home" is probably as close to a short-term rental as one can find in history, and it is specifically not permitted. This is more proof that East Lyme zoning regulations do not permit short-term rentals. Therefore, as far as a municipality's ability to control short-term rentals, East Lyme is in an enviable position. Our town does not need to pass new laws to control short-term rentals. Our current laws do not permit them to exist. New laws attempting to ban or regulate short-term rentals do not need to be enacted. The town simply needs to enforce its current laws, and that will supposedly control them.

If we pass new laws which seek to ban short-term rentals, those laws will be contested in court. New laws which seek to regulate short-term rentals will also be contested in court. Even seemingly reasonable laws that limit occupancy based upon the number of bedrooms, or capacity of a septic system, are being contested in courts throughout the country. Laws that require something as simple as a registry providing emergency contacts are even being contested in court. Therefore, solutions that seek to regulate short-term rentals, regardless of how reasonable said regulations might appear, may ultimately fail their intended purpose. For example, a town must consider the possibility of a court striking down as unreasonable or unconstitutional, any regulation that places obstacles in the way of operating a short-term rental. It is conceivable that a court could strike down regulations one at a time, and over time, all regulations with any teeth could be eliminated. This will leave the town with no

control over the continued exponential growth of short-term rentals. If East Lyme changes its laws to allow short-term rentals so that they can pass laws to “control” them, then short-term rentals will be a part of East Lyme life forever. If East Lyme wants a fighting chance to maintain that charm which so many find so alluring in the first place, then a solution has to be found to maintain our history of seasonal beach rentals, but which do not so closely resemble hotels. We cannot ignore the fact that we are a beach community, and our history includes seasonal rentals and second homes. However, we also cannot allow our town’s identity to be redefined by corporate interests.

Our Connecticut Supreme Court currently has a short-term rental case on its docket. Briefs have been filed, and oral arguments may be scheduled by June 2024. The Court may issue a broad decision which will impact all short-term rentals, or it may tailor its decision narrowly such that it only impacts the dispute which is before it. Nevertheless, it is prudent for the Town of East Lyme to wait for this Supreme Court case to be decided. By waiting for the decision, at a minimum the town will learn how the Court is thinking about this issue.

At this point, the town has several theoretical options available on this issue of short-term rentals. The town can ban them, regulate them, or keep our current laws in effect. However, our committee has not delved into how all of these options interact with the zoning laws of the beach communities which have their own zoning departments. Of the several beach communities, it appears as if Black Point is the only one which defines a short-term rental, and it only allows them for no less than one week. It also does not allow tourist homes. Oak Grove has By-Laws, and rental restrictions wherein it only recommends renting for no less than seven days. Therefore, more time is needed to discuss and determine how any town action will impact the beach communities. Lastly, it will be beneficial for the beach community zoning officials and beach government officials to attend a meeting, or contact this committee so that we can get their input.

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