

**PLANNING COMMISSION
CITY OF WILLOUGHBY
DECEMBER 9, 2025
WORK SESSION
MINUTES**

PRESENT: K. Kary; J. Cook; Ben Capelle; M. Wildermuth, Vice Chairman

ABSENT: S. Norris, Chairman; Dan Garry; Dan Anderson

OTHERS: Darryl Keller, Chief Bldg. & Zoning Official; Mike Lucas, Law Director, Mike Merhar; Kristie Sievers; John Tomaselli, Bob Carr

Vice Chairman Wildermuth called the work session in-person meeting to order at 7:04 p.m.

DISCUSSION

Planning Commission & City Council

(Rep.- Mike Lucas, Law Department & Mayor Fiala)

Short-term rentals & e-bikes

Mr. Lucas explained that the purpose of the meeting was to review city ordinances related to short-term rental regulations. He noted that pending state legislation could restrict local governments from regulating or prohibiting short-term rentals. In response, the Mayor proactively brought this matter to the Planning Commission and City Council to establish zoning controls, including designating short-term rentals as a Conditional Use requiring Planning Commission approval. The permitting process and associated regulations were thoroughly examined. Although the state bill stalled in the General Assembly, this delay provided the city additional time to refine its regulations, prompting the current work session.

Mr. Lucas explained that some of the Planning Commission's proposed regulations conflicted with portions of the city's zoning code. He revised the regulations and shared the updates with the Commission. The city intends to restrict short-term rentals to designated areas identified by classification in the legislation. These rentals will be permitted as a Conditional Use, allowing the city to address concerns such as noise and disturbances through regulatory oversight.

The city aims to establish conditions for short-term rentals and retain authority to revoke Conditional Use Permits (CUPs) when violations occur. Initially, an escalating penalty structure was proposed: a six-month suspension for the first violation, one year for the second, and permanent termination for the third. After discussion, this approach was deemed overly punitive, and revisions were suggested for council review. Under current city code, any violation of CUP conditions results in immediate revocation. The Chief Building and Zoning Inspector enforces compliance and may declare a rental inoperable, with appeals directed to the Board of Zoning Appeals which is in an independent section of the city's code. To minimize unnecessary closures, the Chief works with property owners to resolve issues. These provisions are outlined in Ordinance 2025-129 and amended in C.O. 1155.04.

Mr. Lucas stated that Chapters 195 and 779 of the city's code, aligned with the Ohio Revised Code, authorize an excise tax on lodging businesses such as bed-and-breakfasts and hotels. Following consultation with the Finance Department, short-term rentals have been included for tax purposes, and formal definitions for these rentals have been added.

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Mr. Lucas noted that the Board of Zoning Appeals considers neighborhood concerns (gave examples) when reviewing short-term rental cases, and all rentals have been terminated as a result. He added that one property managed by a professional company provided detailed operational information and a dedicated contact person, which proved highly effective in resolving issues.

Mayor Fiala stated that proposed state legislation, backed by Airbnb, VRBO, and the real estate industry, may preempt local authority unless municipal regulations are adopted first. The city is considering whether to prohibit short-term rentals entirely, though it is unclear if state law would allow such a ban. He noted that residents he has spoken with oppose the legislation. Mr. Kary did the math and the excise tax on short-term rentals is unlikely to generate revenue, potentially increasing enforcement costs. He emphasized that the key decision is whether to ban these rentals outright or implement strict regulations with clear conditions for termination. He believes this bill before the state will not be enacted until 2026.

Mr. Lucas stated if in the course of this discussion there is a consensus that short term rentals should be banned (are currently not allowed) that it should be abundantly clear in our code. The code permits only explicitly listed uses, and short-term rentals are not among them. There is a common pleas court decision that agrees with this analysis, however, there could be arguments made that there are no distinctions made between rentals and short term rentals. Another common pleas court ruling supports this interpretation, affirming that such rentals constitute a business use within residential neighborhoods, despite arguments to the contrary.

Mr. Kary inquired about the status of existing short-term rentals within the city. Mr. Lucas clarified that such rentals are currently prohibited and should not be operating. Mr. Carr questioned why limits on the number of rentals per district were removed. Mayor Fiala explained that an initial proposal of three per ward was for discussion only, and Mr. Lucas noted the provision was omitted due to uncertainty over an appropriate cap. Mr. Carr suggested allowing short-term rentals only as a conditional use in the Downtown Business and Lakeshore Gateway districts while prohibiting them in single-family residential areas. Mr. Lucas confirmed that these uses are permitted in the designated business districts but not in residential zones. Mr. Kary added that an explicit ban in all residential districts would provide a stronger legal position than relying on code silence.

Mr. Tomaselli questioned the benefits of short-term rentals, noting they offer no financial advantage and increase administrative responsibility. Mr. Merhar suggested the only potential benefit is increased foot traffic for downtown businesses. Mayor Fiala clarified that rentals would not be permitted on the first floor of Downtown Business properties and that language would need to reflect this restriction. Mr. Tomaselli cautioned that issues could arise regardless of location. Mayor Fiala emphasized preserving residential neighborhoods, stating that widespread rentals could undermine community stability. Mr. Merhar expressed support for a complete ban, while Mayor Fiala noted uncertainty regarding future state mandates. Mr. Merhar concluded that if prohibition is not allowed by the state, limiting rentals to Downtown Business and Lakeshore Gateway districts would be acceptable.

Mr. Merhar inquired about renting out basements. Mr. Keller clarified that such rentals are prohibited without a proper means of egress. He noted that current regulations limit occupancy to a family unit, defined as up to four unrelated individuals, which has been effective citywide. Since rooming houses were banned, related issues have largely disappeared.

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Regarding enforcement, Mr. Keller explained that the city addresses violations as property maintenance concerns, responding to complaints. The city does not have a housing department and cannot conduct interior inspections. Noncompliant owners receive a series of notices, culminating in referral to the city prosecutor if unresolved.

Mr. Lucas added that short-term rental applications must meet specific requirements, including excise tax collection. When asked about increasing taxes on Airbnb properties, he cautioned that doing so could raise constitutional challenges.

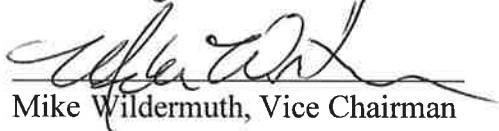
Mr. Lucas confirmed he will add that short-term rentals in the Downtown Business district will be restricted to second-floor locations. Mr. Keller noted the current occupancy limit is four individuals, but the proposed code could allow up to eleven. Mayor Fiala recommended setting a post-holiday deadline for finalizing revisions and directed Mr. Lucas to update the legislation accordingly.

E-bikes

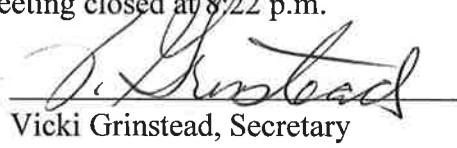
Mayor Fiala noted that state regulations on e-bikes are minimal, consisting primarily of a three-page classification system dividing them into three classes. Class 3 models are highly mechanized and faster, and none of the classes are permitted on sidewalks. Classes 1 and 2 are generally allowed on trails. Mr. Lucas reported that the Ohio Municipal League is considering drafting local e-bike legislation due to growing inquiries/concerns. Mr. Merhar added that insurance carriers vary in coverage, with some treating e-bikes under homeowners policies and others under power sports policies, influenced by speed and classification. Ms. Sievers raised concerns about educating families, particularly those with young children, and questioned parental responsibility.

It was decided to permit short-term rentals only in designated districts under conditional restrictions, excluding residential areas, pending further input.

There being no further business the work session meeting closed at 8:22 p.m.



Mike Wildermuth, Vice Chairman



Vicki Grinstead, Secretary