



## **City Council & Planning/Zoning Commission Workshop**

**When:** February 10, 2026 at 5:00-6:00 pm

**Where:** City Hall Council Chambers, 300 W. 4<sup>th</sup> Street, Craig CO, 81625

### **Workshop Agenda:**

1. Short-Term Rental (STR) Ordinance and Rules & Regulations (30 minutes)
2. Municipal Code Compliance Coordinator (15 minutes)
3. Vacant Building/Property Registration Code (15 minutes)

### **Discussion Items:**

See memorandum for a summary and discussion items.

### **Adjourn**

# MEMO

February 10, 2026

**To:** Planning & Zoning Commission and City Council

**From:** Marlin Eckhoff & Danny Paul *M.E.*

**Subject:** Staff Recommendations for Short Term Rental Ordinance

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## **Background/Discussion**

A workshop was held on January 28, 2025, with the Planning & Zoning Commission and City Council to discuss potential for a Short-Term Rental (STR) ordinance. At that time, both the Commission and Council agreed that public outreach was necessary prior to moving forward with an ordinance. I have included the minutes from the original workshop outlining the items discussed and highlighting the suggestions from the group.

To gain public input, the Community Development Department has since conducted a survey, held two open houses, and formed a focus group to hold discussion and get suggestions for an STR ordinance.

## **Public Outreach Summary**

Two open houses were held on December 11, 2025, with approximately 25 participants. A survey was cast to the community and resulted in 38 responses. We had 15 people volunteer for the focus group, and we picked a total of six to serve on the group. Based on survey results, we tried to select people who own STRs, and others who have expressed concerns with STRs, in order to form a diverse group. We then held a focus group meeting on January 22 comprised of these six stakeholders to further discuss rules and regulations associated with an ordinance. I have included the STR focus group minutes from the meeting. I have also included the results from the survey.

## **Rules & Regulations**

The following are the rules and regulations that were discussed with the P&Z Commission and City Council at the original workshop, along with items covered in the survey, open houses, and focus group. We also included recommendations from staff based on direction/suggestions we received from the P&Z Commission, Council, and the public.

1. <b>Regulation Necessity:</b>	<b>Staff Recommendation</b>
Is a policy necessary right now?	Yes, staff and public input indicate that a policy is necessary to establish a registration system and basic rules and regulations.
2. <b>Zone Districts:</b>	
Should STRs be allowed in all zone Districts?	Yes, provided there are occupancy limits and parking regulations. P&Z and council could consider setting a cap on STRs in residential zones but staff does not believe that is necessary at this time.
3. <b>Primary vs Hosted STRs:</b>	
Should primary and hosted STRs be treated differently? Note: A primary STR is basically the renting out of an entire dwelling unit and/or home, while a hosted STR is renting out a portion of a property while the owner lives there.	No, they should both fall under the same rules and regulations.
4. <b>Limitations on Number of STRs:</b>	
Should there be a cap on the number of STRs allowed citywide or within a certain zone district?	No, not at this time.
5. <b>Grandfathering:</b>	
Should existing STRs be allowed to continue to operate even if within a zone district that might become restricted?	Yes. They can continue to operate as long as the property remains an STR and ownership does not change and subject to the owner completing the registration process under the new policy.
6. <b>Occupancy Limits:</b>	
How many guests should be allowed per STR?	Two per legal bedroom, plus two? (May need to discuss an exception for children under a certain age).
7. <b>Parking Requirements:</b>	
How many parking spaces per site?	Minimum of two off-street spaces in all zone districts, with the exception being STRs located within CD district due to limited off street parking availability.
8. <b>Accessory Dwelling Units</b>	
Should STRs be allowed in ADUs?	Yes, however, this will require us to amend the ADU ordinance

<p>9. <b>Owner Proximity to Craig:</b> Should the owner/host be required to reside within a certain distance to Craig or have a representative who does?</p>	<p><b>Staff Recommendations</b> Yes, an owner/host or representative shall live within 30 miles of Craig and contact information shall be on file with city.</p>
<p><b>Neighborhood Notification:</b> Should the city have a process for notifying neighbors within a certain distance of a newly registered STR?</p>	<p>We recommend having a list of all registered STRs posted on the city website, but not require direct notification to surrounding property owners.</p>
<p>10. <b>Administration:</b> Should STR applications be reviewed and approved by city staff, a city board, or council.</p>	<p>Our recommendation is to have the Community Development Dept approve them administratively, unless a variance or appeal is requested.</p>
<p><b>Inspections:</b> Initial inspection required? Annual inspection required? Note: Compliance inspections would include but not be limited to:</p> <ul style="list-style-type: none"> <li>• Working smoke and CO alarm.</li> <li>• Code compliant egress opening from every sleeping room.</li> <li>• A working fire extinguisher accessible to the occupants.</li> <li>• Adequate off-street parking per STR ordinance.</li> </ul>	<p>Initial inspection only, no annual inspection without cause, such as violations or change of ownership.</p>
<p>11. <b>Registration Fees:</b> Initial application fee amount? Annual renewal fee required? If so, annual renewal fee amount?</p>	<p>\$75 application fee plus \$150 per bedroom for the initial registration fee and \$150 annual renewal fee.</p>
<p>12. <b>Taxation</b> Should the city collect an STR tax in addition to registration fees and other taxes (e.g. lodging)? If so, the city would need to include a tax question on the upcoming ballot, as this would need to be approved by the voters.</p>	<p>Our recommendation would be not to collect any additional taxes at this time.</p>
<p>13. <b>Complaints and Enforcement:</b> Who will be responsible for handling Complaints and enforcing the ordinance?</p>	<p>The Community Development Dept. will be responsible for the approval, administration and enforcement of the ordinance. This oversight will fall under the Building Official and Municipal Code Compliance Coordinator.</p>

These recommendations may not reflect the views of every community member that was involved with the process. However, we based our recommendations on multiple factors such as availability of staff for implementation and enforcement, requirements from other communities similar to ours, and the overall consensus from the Planning Commission, Council, and the public. We did find that suggestions from the public closely aligned with the recommendations from the Planning Commission and Council from last January.

**Next Steps:**

With input from the Planning & Zoning Commission and City Council, staff is prepared to draft an ordinance and associated rules and regulations and bring it forward for adoption.

I have attached the following documents for your review:

- Minutes from the January 28, 2025, workshop
- Minutes from the January 22, 2026, focus group meeting.
- Results from the survey

COMBINED CITY COUNCIL AND PLANNING & ZONING COMMISSION WORKSHOP  
Short Term Rental Ordinance  
January 28, 2025

The Craig City Council and Planning & Zoning Commission of the City of Craig, County of Moffat, State of Colorado, met in the City Council Chambers, 300 West 4<sup>th</sup> Street, Craig Colorado, 81625, at the hour of 4:30 p.m. There being present: in addition to Chairperson Nichols, Commissioners Michelle Gottschall, Derek Duran, Jesse Jackson, Randy Looper, Andrea Camp, Luke Tucker, and Planning and Zoning Commissioners Mike Tucci, Tom Gilchrist, Mason Updike, Justin Jenison, and Savana Crow. Staff present were City Manager Peter Brixius, City Attorney Heather Cannon, Finance Director Mindy Elliott, City Clerk Katie Carmody, Building Official Marlin Eckhoff, and Admin Assistant Sierra Arellano.

The workshop was opened by Eckhoff introducing the topic of Short-Term Rentals (STRs). All were in a consensus that the purpose of the workshop was to set guidelines regarding registration to enable enforcement and create consequences. It was heavily stressed that public input is necessary and will be obtained before an ordinance is approved. City Council will have a public hearing for the ordinance.

To begin, Eckhoff introduced the definitions of Primary STR and Hosted STR. Discussion commenced regarding whether an Accessory Dwelling Unit (ADU) should be allowed to be a STR or not. Ultimately, it was determined that an ADU should be allowed to be a STR but each should be governed separately and treated as such. It was decided that Primary and Hosted STRs will be treated the same and obey the same regulations.

The discussion moved to what zoning districts will allow STRs. Eckhoff noted this varies greatly across the state. The largest discussion was regarding the Residential Low Density Zoning District (RLD). Eckhoff noted that the majority of our residential districts are zoned RLD and this is where the most complaints have been heard. The average occupancy rate for STRs in Colorado is 60%. Crow noted that she has an STR outside of the jurisdiction but within the state that has an occupancy rate of under 40% and has been told that is consistent for the area. With all of this information, the group came to a consensus that STRs should be allowed in all zoning districts, including RLD, but could have restrictions such as parking.

Eckhoff noted to the work group that some municipalities limit the number of STRs allowed in the entire city, certain zones, blocks, etc. Another limitation that some municipalities have utilized is limiting the percentage of the total number of homes being STRs. The group all agreed that they do not foresee the community getting inundated with STRs any time soon so a limitation is unnecessary. This could be reevaluated as time goes on if the need arises. Currently, there are 11 single-family STRs, 9 rooms at the old Taylor St Bed & Breakfast (403 Taylor St), and at least one at the Deer Valley Apartments. The current STRs are spread amongst the zoning districts with 3 in RLD, 3 in MU-2, 2 in C-2 and CD, and 1 each in RMD, RHD, and RR.

For occupancy limits per unit, Eckhoff recommended 2 individuals per bedroom plus 2 additional unless otherwise approved, noting that Grand Junction uses this model. The group agreed that this seemed like a reasonable number and asked to see the Grand Junction ordinance.

For parking, the group discussed that on-street parking has largely been a complaint with STRs. The potential for zero on-street parking in RLD was considered. After some discussion, the group came to a consensus that 1 hard surface off-street parking space per bedroom up to 4 spaces was sufficient. There was some discussion that the Commercial Downtown (CD) district would be exempt from the off-street parking requirements.

For registration and annual fees, Eckhoff noted that there is not one answer and that Colorado municipalities range across the board. Eckhoff suggest an annual application fee of \$75 with an additional \$150 per bedroom. The group felt this was fair and a simple place to start. Eckhoff inquired where the fees should be deposited as this ranged across the board as well. The group discussed the annual application fee going to the Building Department as the inspections would be completed out of that department and the bedroom fee going to the general fund.

Taxes for STRs range greatly in the state. The group ultimately felt that STRs are considered a business and should be treated in the manner of a hotel, meaning that lodging tax would be collected. The group discussed leaving taxes the way they are but requiring the applicants to show proof that their third-party listing includes all the proper taxes (city, county, state sales taxes, LMD, and lodging).

The topic of 403 Taylor St, the old Bed & Breakfast, was brought up as its own agenda point. Largely the group came to an agreement that if it is still being ran as a Bed & Breakfast and proof can be provided then a STR registration would not be required. If they cannot show proof, then they must comply with the STR regulations.

Some general regulations were discussed including not needing a point of contact within an hour of the property, HOAs superseding the STR ordinance, making it unlawful for a booking agent to advertise an unregistered STR, an initial inspection and potential annual sign-off being required. It was discussed that current STRs will need to become registered. Enforcement will require administrative checks of third-party sites, outlining penalties, regulation of complaints and coordination with the Police Department.

Chairperson Nichols called for the next steps from Eckhoff which include drafting an ordinance that will be presented to the Planning & Zoning Commission. During the drafting process and prior to the ordinance going to City Council for final approval, public input will be sought. Multiple ways of input were discussed such as using focus groups with current STR owners and involved citizens. Following public input and revisions, the Commission would give their recommendation to Council. Council would proceed through the readings of the ordinance and suggest any changes until final approval.



## **SHORT TERM RENTAL FOCUS GROUP MINUTES January 22<sup>nd</sup>, 2026**

The City of Craig held a Short Term Rental (STR) Focus Group on Thursday January 22<sup>nd</sup>, 2026 at 5:30pm to 7:30pm in City Hall Council Chambers. City staff present were Public Works Director Danny Paul, City Clerk Katie Carmody, Building Official Marlin Eckhoff, Finance Director Mindy Elliott, and Admin Assistant Sierra Arellano. Focus group members present in person were Austin Shaffer, Jayne Morley, Jordan Harrison, Kirstie McPherson, and Tammy Sorenson. Focus group member Pam Foster was present via Zoom, although had technical difficulties but was able to hear the audio and provided feedback following.

Director Paul opened by going through introductions, laying ground rules, and discussing the purpose of the focus group. Director Paul went through the process of how a potential ordinance would be adopted. Director Paul noted part of the process was collecting public input which included 2 STR Open Houses that took place in December 2025. Director Paul went over some key items from the open houses that were discussed such as: guest screenings prior to renting an STR, openness to a STR registration, concern for character and safety of neighborhoods, property owners rights, differences between STRs and long term rentals, and contact information requirements.

City staff asked the focus group if they felt that STR regulations are necessary at all. The group discussed that it makes sense to be proactive instead of following what Steamboat did and not getting ahead of them.

With the group stating that they felt it would be good to be proactive, the group moved to discussing zone districts. Official Eckhoff gave a brief overview of the zone districts in the City. Director Paul and Official Eckhoff noted that accessory dwelling units (ADUs), are allowed in all districts but require a conditional use permit in Residential Low Density (RLD) districts. Most of the group noted they did not feel strongly about allowing STRs in certain districts only and felt that STRs could be less problematic than long term. There was some discussion that in older areas of town, some that are RLD, have

homes that are closer together and not designed well for STRs. The group stressed that rental rules, already established by 3<sup>rd</sup> party rental sites such as AirBnB and VRBO, are imperative. The group also discussed that it should be a use by right in all districts, including commercial.

Director Paul asked the group if there were to be a STR regulation, should existing STRs be grandfathered in. The group came to the consensus that existing STRs should be grandfathered but if the property changes hands that the property would need to be re-registered.

The group moved on to discuss limits on the number of guests allowed per bedroom. It was noted that AirBnB limits the number of guests based on the rental size, which is 2 per bedroom with an adjustment for child/infants. The group felt that the regulations by the 3<sup>rd</sup> party sites would be sufficient.

For parking requirements, the group noted it was mostly based on the rental itself. For example, downtown there is less parking than there is in other areas of town. Director Paul noted that Meeker, CO has a minimum parking requirement of 1 off-street parking spot. The group felt this was intuitive and off-street parking would make the most sense for traffic and snow removal logistics.

Director Paul asked the group if they felt there should be a limit on how many STRs a single owner can have or a total number allowed in the community. There was concern noted that businesses, especially not local, could purchase multiple foreclosed properties and take those homes from local families if not limited. The group noted this could be a moot point since STRs are a full-time business. A local contact could solve some of the perceived issues from owning multiples. There was a suggestion of capping the limit at 15 total for the community but a consensus was not reached.

With discussion of a local contact, the group felt that it should be a requirement. They discussed that the contact wouldn't necessarily have to be the homeowner since there are snowbirds that rent their property when they are gone. It was noted that 3<sup>rd</sup> party sites require a local contact but it does not specify what local means, the group discussed maybe within 30 minutes of the property.

For guest screening requirements, the group noted that 3<sup>rd</sup> party sites do have rigorous and rigid screening. Director Paul and Official Eckhoff noted that the City may not have as many resources to enforce this as the 3<sup>rd</sup> party sites would.

Director Paul inquired how the group felt about allowing STRs in ADUs. The group noted that this could allow people to make an additional income that they would not otherwise have. Official Eckhoff noted that the ADU code would need to be changed, which could be done, if this were to be part of the regulation.

Director Paul asked the group about neighborhood notification requirements. The group noted that it wouldn't hurt to let the neighbors know or to post the registry on the City's website. They noted that it wouldn't necessarily need to be a door-to-door notification but it would be nice to have a contact person, if needed as a neighbor, or to know where they are located.

Director Elliott discussed with the group that some communities implement an STR tax; adding a tax would require a vote by the public. However, the City can implement a registration fee without a vote. The group did not have a consensus on whether to implement a tax or registration fee nor an interval. Director Paul shared the fees that were discussed with the Planning & Zoning Commission and City Council at a workshop meeting in January 2025 (annual application fee of \$75 plus additional \$150 per bedroom) and the group agreed those seemed reasonable. Director Elliott pointed out the fees would be used to cover the city's cost to administer and enforce the program.

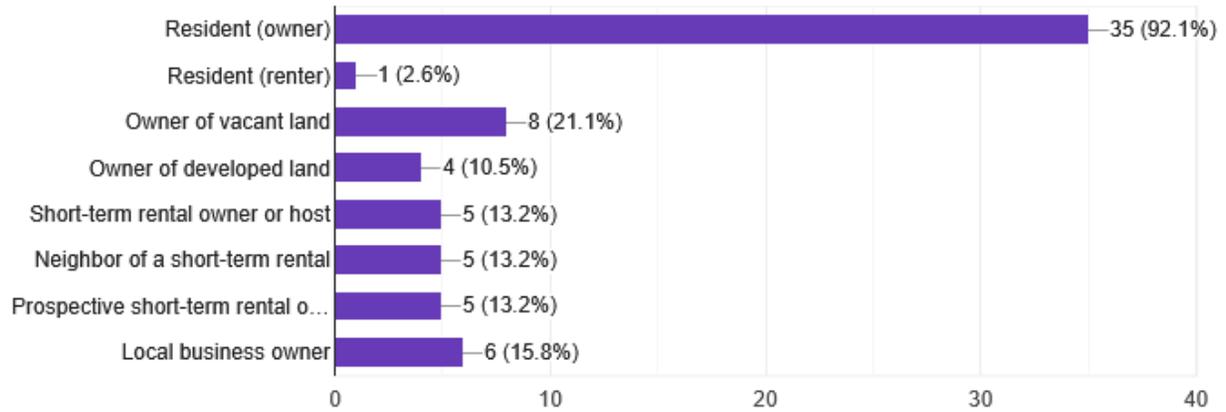
Director Paul discussed with the group some of the process for approval beyond fees. Director Paul and Official Eckhoff noted to the group that some municipalities approve the application administratively or through Planning & Zoning/City Council, to which the group noted no issues with it being approved administratively. It varies by municipality on if and when inspections are required, the group noted it would depend on the registration fee but thought at minimum an initial inspection should be required. For enforcement, it was noted that the 3<sup>rd</sup> party sites will help to keep the regulations due to reviews and that it should be kept a priority to keep the regulation simple enough that it isn't a problem for people to comply. Director Paul and Official Eckhoff noted enforcement would likely come from the Community Development Department instead of the Police Department.

The group and City staff noted that a lot was discussed and accomplished during the focus group. All felt that another session would not be needed. City staff thanked the focus group members for attending.

Which best describes you? Check all that apply.

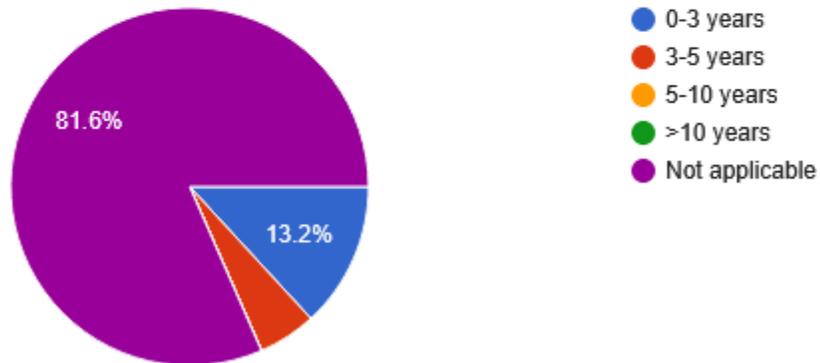
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38 responses



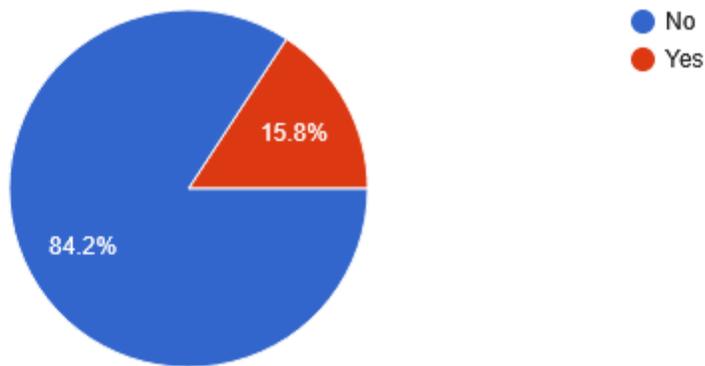
If you are an owner or host a short-term rental, how long have you been operating in Craig?

38 responses



## Have you ever personally experienced any issues related to short-term rentals in Craig?

38 responses

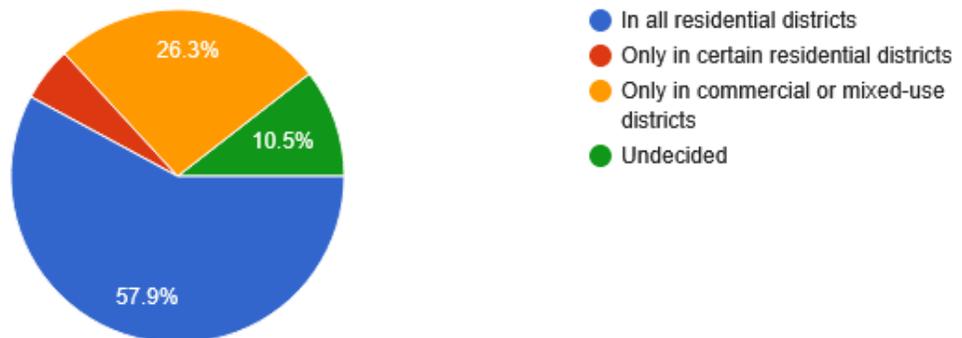


Issues are: STRs being unoccupied, unable to find an STR, pricing can be too high with obscure fees, lack of accountability and responsibility for property maintenance and management. Parking issues and noise.

## In your opinion, in which areas of Craig should short-term rentals be allowed?

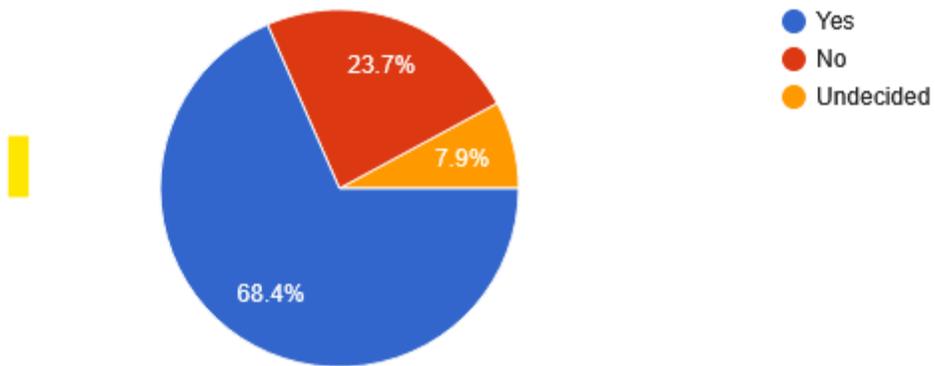


38 responses



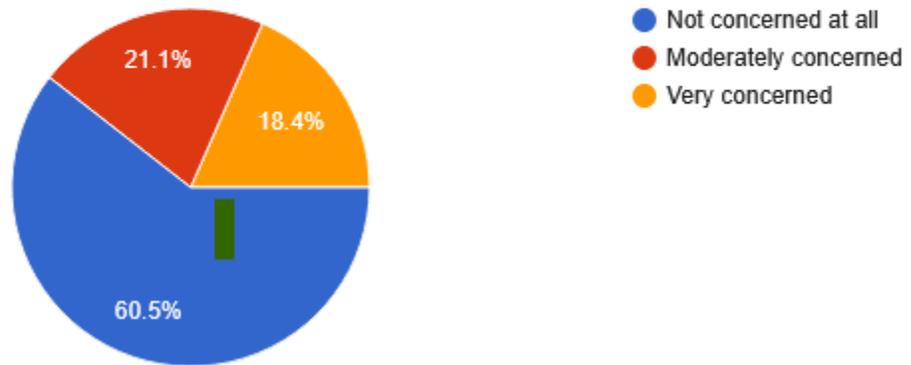
If the city was to implement regulations for short-term rentals, do you think existing short-term rentals should be grandfathered in as long as they register to operate as a short-term rental property?

38 responses



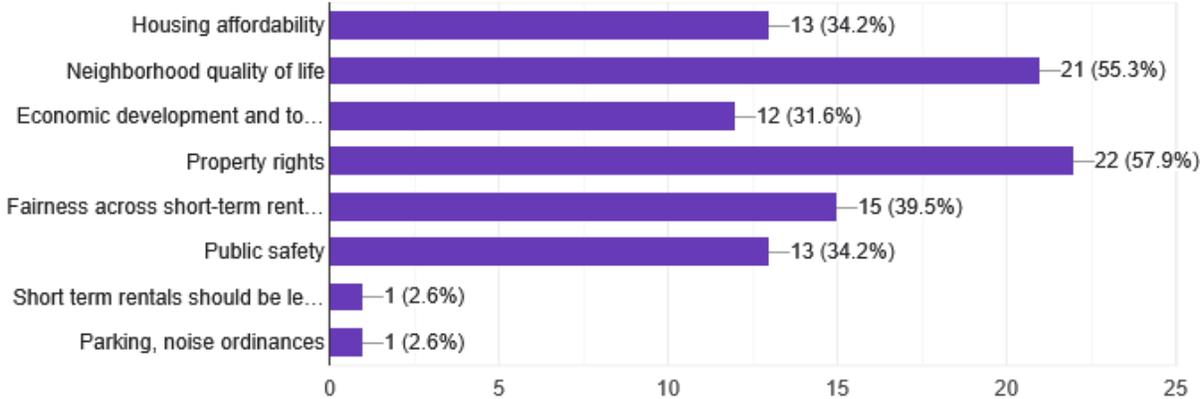
How concerned are you with short-term rentals impacting long-term housing availability?

38 responses



### Which community qualities should be prioritized if short-term rental regulations are created?

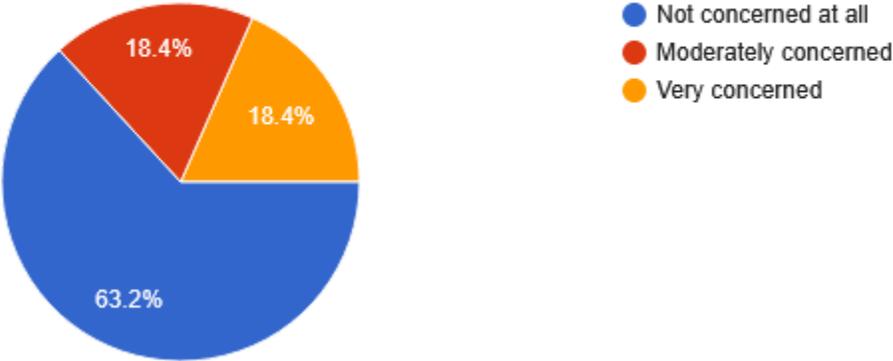
38 responses



Other responses were: 1. Short term rental should be legal and should be allowed in commercial, business and mixed use areas. 2. Parking, noise ordinances

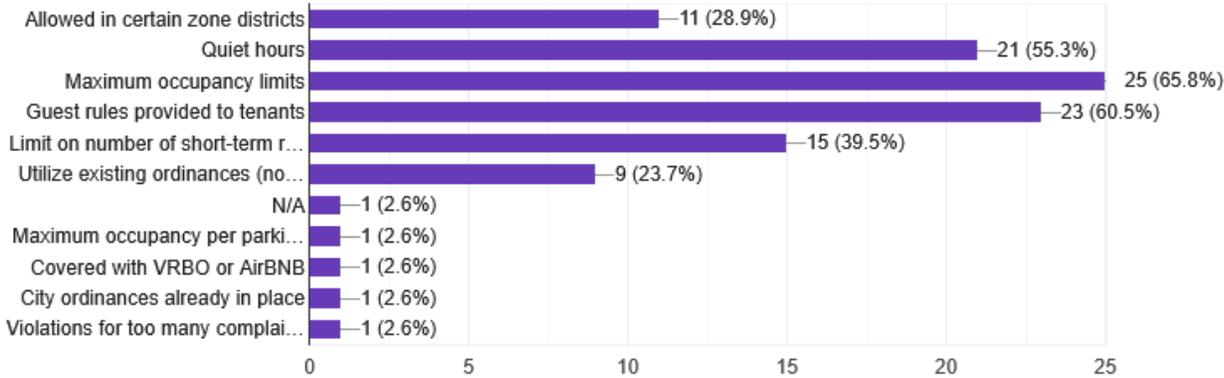
### How concerned are you about parking areas serving short-term rentals?

38 responses



What types of standards should short-term rentals follow to reduce neighborhood impacts? (Check all that apply)

38 responses



Other responses: 1. Maximum occupancy, per parking, and limit STR occupancy by sq footage. 2. Covered with VRBO or AirBnB 3. City ordinances already in place 4. Violations for too many complaints – pull license

If the city required an initial and annual registration fee for short-term rentals, what amount would you consider most appropriate?

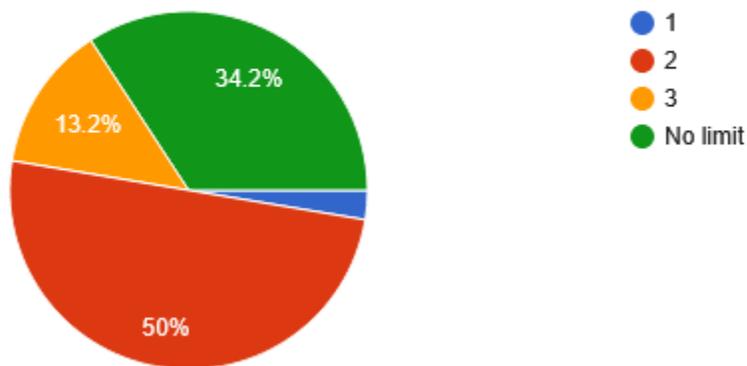
38 responses



Other response: \$0 unless there is a benefit to registering such as advertised listing. What has it cost the City? Most occupants will be paying sales tax in other ways to the City, County, and State.

## If the City imposed an STR regulation how many occupants should be allowed per bedroom?

38 responses



Do you think the should impose STR regulations? No, yes, not sure and explain.

1. No – 9
  - a. Private property rights
  - b. Limited number and impact
  - c. Not hotels
  - d. Rules exist through host platforms
  - e. Larger issues (infrastructure, parking elsewhere)
2. Yes – 11
  - a. Difficult to add regulations after the fact
  - b. To set a standard
  - c. To protect owners living in their homes
  - d. Can take over and drive up rates
  - e. Loss of housing
  - f. Increased crime
3. Not sure – 4

What information would help you better understand STR regulations/and or impacts?

1. Current volume and reported impact
2. What other small communities have adopted and what changes they would make
3. Impact of HB24-1152 and STR ADU regulations
4. Tax revenue of rentals
5. Cost of STR

What are your top 3 concerns about STRs?

1. Duration of stay limits
2. Neighborhood quality impacts
3. Property value impacts
4. Safety
5. Losing the neighborhood spirit
6. Too many unoccupied houses in residential neighborhoods
7. Commercial business but not paying commercial property taxes
8. Easy to vilify STR
9. Being brought up without any real need in Craig
10. Restrictions on an industry
11. Public disturbance
12. Drug runners – 30 people in one house
13. Noise levels
14. Extra traffic
15. Types of people renting
16. Cost of rental
17. Not overregulated
18. Protect owner rights
19. Higher housing prices
20. Lack of available housing
21. Parking
22. Emergency contacts and expectations
23. Planning for long term balance

#### Advantages of STR

1. Revenue for homeowners
2. Tourism dollars
3. Properties are cared for – better than hotels
4. More people exposed to the area
5. Higher quality medical care?
6. Honors private property rights
7. Option for traveling groups

#### Disadvantages of STR

1. If more STRs could worsen long term housing availability (numbers and cost)
2. Influx of people with unknown backgrounds
3. Nuisances
4. Compete with hotels