



MAYOR AND CITY COUNCIL

WORK SESSION
Tuesday, November 25, 2025 - 1:00 PM

AGENDA

1. CALL TO ORDER

2. NOTICE AND REPORT ON CLOSED SESSION

- A. Closed Session Notice and Report - Tuesday, November 25, 2025, 12:00 PM - 1:00 PM to discuss Legal and Personnel Matters

3. ACKNOWLEDGEMENTS AND RECOGNITIONS

4. COMMENTS FROM THE PUBLIC

- A. Any person who may wish to speak on a matter scheduled for discussion on the Work Session Agenda may be heard during Comments from the Public for a period of three (3) minutes or such time as may be deemed appropriate by the Council President. Anyone wishing to be heard shall state their name, address and the Agenda item on which he or she wishes to speak.

5. NEW BUSINESS

- A. Request to Approve Minutes
1. Regular Meeting #20 dated November 17, 2025
- B. Acknowledgement of Standing Committee Report
1. Recreation and Parks Committee - November 13
- C. Standing Committee Report with Recommendation
1. Pension Committee - November 19
- D. Conditional Use Request to Allow the Operation of a Water Taxi Business in the SC-1 Zoning District at 11703 Coastal Highway. Applicant: OC Bay Hopper Blue Bimini, Inc. presented by Planning and Community Development Zoning Administrator Sabrina J. Hecht
- E. Discussion of Short-term Rentals in R-1 and MH Districts presented by Planning and Community Development Director George Bendler

6. ADJOURN



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 2.A

Council Meeting November 25, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Closed Session Notice and Report
DATE: November 17, 2025

ISSUE(S): Closed Session Notice and Report

SUMMARY: A Mayor and Council closed session is scheduled for Tuesday, November 25, 2025, at 12:00 PM to discuss legal and personnel matters.

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



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ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): 1. Closed Session Notice 11.25.25.doc
2. Closed Session Report 11.25.25.doc

NOTICE OF CLOSED SESSION OF MAYOR & CITY COUNCIL OF OCEAN CITY

AUTHORITY: State Government General Provisions Article: § 3-305(b)

DATE AND TIME: Tuesday, November 25, 2025 12:00 PM - 1:00 PM
 PLACE: City Hall
 SUBJECT: Legal and Personnel Matters
 VOTE: UNANIMOUS
 OTHER: FOR: _____
 AGAINST: _____
 ABSTAIN: _____
 ABSENT: _____

PURPOSES:

X	1. To discuss: (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees or officials over whom it has jurisdiction; or (ii) any other personnel matter that affects one or more specific individuals;
	2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business
	3. To consider the acquisition of real property for the public purpose and matters directly related thereto;
	4. Consider a matter that concerns the proposal for a business or industrial organization to locate, expand or locate in the state;
	5. Consider the investment of public funds;
	6. Consider the marketing of public securities;
X	7. Consult with counsel to obtain legal advice;
	8. Consult with staff, consultants or other individuals about pending or potential litigations;
	9. Conduct collective bargaining negotiations or consider matters that relate to the negotiations;
	10. Discuss public security if the public body determines that public discussion would constitute a risk to the public or public security, including; a) the deployment of fire and police services and staff; and b) the development and implementation of emergency plans
	11. Prepare, administer or grade a scholastic, licensing or qualifying examination;
	12. Conduct or discuss an investigative proceeding on actual or possible criminal conduct;
	13. Comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or
	14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process
	15. To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to: (i) security assessments or deployments relating to information resources technology; (ii) network security information or (iii) deployments or implementation of security personnel, critical infrastructure or security devices.

For each provision checked above, disclosure of the topic to be discussed and the public body's reason for discussing that topic in closed session.

Citation	Topic	Reason for closed session discussion of topic
§3-305(b)1	Individual specific	Affects one or more specific individuals
§3-305(b)7	Pending and potential litigation	Attorney-client privilege

REPORT OF CLOSED SESSION
OF THE MAYOR AND CITY COUNCIL OF OCEAN CITY

Prior to the Mayor and City Council Open Session held at 1:00 PM on November 25, 2025, a Closed Session was held November 25, 2025, at 12:00 PM at City Hall, 301 N. Baltimore Avenue, Ocean City, Maryland. The following is a report of the closed session.

1. A statement of the time, place, and purpose of the closed session is attached.
2. A record of the vote of each member as to closing the session is attached.
3. A citation of the authority under the law for closing the session is attached.
4. (a) Topics of Discussion: Legal and Personnel Matters

(b) Persons present:

Mayor Rick Meehan
City Manager Terry McGean
Deputy City Manager JR Harmon
Council President Matt James
Council Secretary Tony DeLuca
Council Members: Will Savage III, Larry Yates, John Gehrig, Jake Mitrecic,
Carol Proctor
City Clerk Diana Chavis
City Solicitor Heather Stansbury

Action(s) taken:

Motion to close meeting:

End Time:



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 4.A

Council Meeting November 25, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Public Comments
DATE: November 17, 2025

ISSUE(S): Comments from the Public

SUMMARY: Any person who may wish to speak on a matter scheduled for discussion on the Work Session Agenda may be heard during Comments from the Public for a period of three (3) minutes or such time as may be deemed appropriate by the Council President. Anyone wishing to be heard shall state their name, address and the Agenda item on which he or she wishes to speak.

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



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ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): None



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.A
Council Meeting November 25, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Mayor and City Council Minutes
DATE: November 17, 2025

ISSUE(S): Request to Approve Minutes

SUMMARY: 1. Regular Meeting #20 dated November 17, 2025

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Approve minutes.



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ALTERNATIVES: Advise of necessary modifications.

RESPONSIBLE STAFF: City Clerk Diana L. Chavis, MMC

COORDINATED WITH: Deputy City Clerk Jessica D. Cropper, CMC

ATTACHMENT(S): None



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.B

Council Meeting November 25, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Standing Committee Report
DATE: November 17, 2025

ISSUE(S): Acknowledgement of Standing Committee Report

SUMMARY: 1. Recreation and Parks Committee - November 13

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



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ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): 1. 2025.11.13 Recreation and Parks Committee Minutes.docx

RECREATION & PARKS COMMITTEE
MEETING MINUTES
OPEN SESSION – NORTHSIDE PARK COMMUNITY ROOM
Thursday, November 13, 2025

Present were: Councilman and Committee Chairman John Gehrig, Councilwoman Carol Proctor, Deputy City Manager J.R. Harmon, Recreation and Parks Director Kate Gaddis, Parks Superintendent Gary Collier, Recreation Superintendent Kim Kinsey, Golf Professional Bob Croll, Golf Superintendent Joel McTavish, Public Works Director Hal Adkins, and Administrative Assistant II Grace Engel

Absent: Councilman Jake Mitrecic

1. **Call to Order:** Councilman and Committee Chair John Gehrig called the meeting to order at 1:57 p.m.
2. **End of Season Reports:** Division heads provided brief reports on the 2025 summer season:
 - a. **Skate Park:** Both the summer and fall season have seen great success. Revenue and participation are up from last year, and a new Skate Park Manager started in early November. Staff from Gridline, the park builder, visited the park in September to make concrete repairs. The mural in the skater's lounge was completed by Mark Emond. The steps to the vert ramps were completed by November 1.
 - b. **Racquet Center:** Pickleball participation grew over the course of the summer, and tennis participation held steady. Pickleball players have expressed interest in additional courts, as well as more programming during the season.
 - c. **Concessions:** Operations were successful during the summer season, with revenue up for two summers in a row. All outside operations have halted with Winterfest moved in to Northside Park. Staff are anticipating a busy winter season as they approach indoor tournaments and leagues.
 - d. **Golf Operations:** The course had a great summer. Revenue is over budget in the first months of the fiscal year, and dynamic pricing through the new tee sheet system is performing well. The course is hosting local groups and leagues, along with in-house events, keeping operations busy in the fall months.
 - e. **Golf Maintenance:** The course experienced three major tidal events in three months, in addition to continued irrigation issues. Staff have successfully learned to manage these obstacles, and the course is in great shape. The team is currently working on upcoming budgeted projects to improve the course. Superintendent McTavish shared that the course has a positive working relationship with Worcester County Water and Wastewater. Though concerns were initially discussed relative to how the golf course could, at times, utilize spray irrigation flows in excess of what the current MDE Permit Limitations of 225,000/gpd are, and additional concerns relative to flow monitoring were voiced, subsequent email conversations between Director Adkins and Dallas Baker, Worcester County Public Works Director, confirmed that the County has recently received

MDE approval to increase the flow allocation for spray irrigation to 405,000 gpd. Dallas confirmed that flow metering is currently in place.

3. Projects:

a. CIP – Proposed Projects: Director Gaddis provided a list of upcoming proposed projects in the FY27 CIP, allowing the Committee to become familiar with what the Department submitted to Director Adkins, including:

- i. OC Racquet Center Building and Court Renovation
- ii. NSP Community Room Roof and East Lobby Floor Replacement
- iii. NSP Pathway Improvement
- iv. NSP Softball Field Lighting Replacement
- v. NSP Shoreline Stabilization
- vi. Playground Replacements
- vii. Eagle’s Landing Course Improvements

b. Current Project Updates:

- i. **NSP Playground Replacement:** Phase II of the project is set to begin in mid-January 2026. Equipment has been ordered, and the Community Parks and Playgrounds Grant from Maryland DNR included funds to cover removal by the contractor.
- ii. **Northside Park Softball Field Lighting Replacement:** The estimated delivery date for equipment is mid-January 2026, with construction beginning immediately thereafter.
- iii. **Northside Park Pathway Paving and Drainage:** Phase I of the project will begin in March 2026, beginning with the inner pathways of the park.
These three projects are expected to wrap up by April 2026.
- iv. **Little Salisbury Playground and Basketball Court Renovation:** Replacement of metal panels at the playground will begin Monday, November 17, and staff anticipate the project to be completed by Wednesday, November 26. Premier surfacing on the basketball court will be refurbished, and the chain link fencing replaced. The refurbishment of this Premier surfacing will be done in conjunction with the refurbishment of the Premier surfacing on the tennis court at Gorman Park. Court refurbishment is weather-and-temperature-dependent; the project is anticipated to begin in May/June 2026.
- v. **Eagle’s Landing Flood Remediation:** After bids came back high, the project was value-engineered, and the scope of work was revised. Revisions were made through the collaboration of Director Gaddis, Deputy City Manager Harmon, Superintendent McTavish, and golf consultants Joe Perry and Joel Weiman. Parts of the project that were removed will go out to bid separately. The request to award the bid to McDonald and Sons is on the November 17 Consent Agenda. The anticipated start date is November 2026 with completion projected for April 2027.
- vi. **Eagle’s Landing Course Improvements:** With about \$77,000 in the maintenance budget for this year, an outside contractor will continue on course infrastructure improvements and repairs.



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.C

Council Meeting November 25, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Standing Committee Report
DATE: November 20, 2025

ISSUE(S): Standing Committee Report with Recommendation

SUMMARY: 1. Pension Committee - November 19

It was noted that Aristotle Large Cap Value failed the manager criteria 4 times in the past 6 quarters making them an option for replacement. After discussion, it was unanimously approved to replace Aristotle Value Equity Fund with Great Lakes Large Cap Value Fund.

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



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ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): 1. 2025-11-19 Pension Committee Minutes.docx

Town of Ocean City
Pension Committee Minutes
City Hall, Council Chambers
November 19, 2025 - 9:00 AM

Trustees Attending: Council President Matt James; Councilman Will Savage; Public Safety Rep. Sean McHugh; General Employees Rep. Karin Scott; Jeff Thaler

Trustees absent: Tim King; Mayor Richard Meehan;

Staff Attending: Amanda Bayline; Chuck Bireley; Katie Callan; Ioana Gudelsky; Jennie Knapp; City Manager Terry McGean; Deputy City Manager Elton Harmon

Presenters: David Esham–Morgan Stanley; Russell LaGreca-Morgan Stanley, Graystone Consulting

Council President James called the meeting to order and acknowledged Sean McHugh and Karin Scott were re-elected to their positions as Public Safety Rep. and General Employees Rep, respectively.

David Esham - Morgan Stanley

David commented on current economic and market conditions in the United States and around the world. He discussed 3rd Quarter and year to date stock and bond market performance. David discussed current economic factors including inflation, interest rates, Federal Reserve's impact, current equity valuations and asset class performance.

David discussed the pension plans' 3rd Quarter investment performance. Investment return for the General Employees' Plan was 4.26% and 11.96% year to date. The investment return for the Public Safety plan was 4.28% and 11.93% year to date.

David reviewed the screened options for replacement of Aristotle Large Cap Value. Aristotle failed the manager criteria 4 times in the past 6 quarters making them an option for replacement. After some discussion David narrowed it down to a recommendation to replace Aristotle Value Equity fund with Great Lakes Large Cap Value fund.

Motion by Karin Scott; seconded by Jeff Thaler to approve the recommendation. The vote was unanimous.

Russell LaGreca – Morgan Stanley, Graystone Consulting

Russell discussed 2025 regulatory activity and commented on the relatively low amount of activity. He commented the Department of Labor is emphasizing the importance of evaluating cybersecurity policies of any vendor maintaining personal information and financial assets for employees.

Russell reviewed the investment performance of the funds and the expenses charged by each fund. The investment performance of the funds included in the 401 (a) and 457 (b) plans for the twelve months ending 09/30/25 was very good. The average fund return was 11.6% and ranged from -3.23% to 23.15%. Russell did not recommend any investment changes for this period.

Motion by Councilman Will Savage; seconded by Karin Scott to adjourn the meeting. The vote was unanimous.

Chuck Bireley
11.20.25



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.D

Council Meeting November 25, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: George Bendler, Planning and Community Development Director
RE: Conditional Use for Water Taxi Business in SC-1 Zoning District
DATE: November 19, 2025

ISSUE(S): Request for a Conditional Use Permit in the SC-1, Shopping Center Zoning District, to renew the Conditional Use Permit #19-12100001 and #20-12100001 for the purpose of operating a water taxi business ticketing and sales office and the docking of water taxi boats at the head of the east end of the lagoon leading to Assawoman Bay in its current location 11703 Coastal Highway OC Hopper operates (2) pontoon boats (28x2).

SUMMARY: At their meeting of October 7, 2025, the Planning and Zoning Commission reviewed and considered the above-mentioned application for a Conditional Use permit request for the OC Bay Hopper to continue as a water taxi service in the SC-1 Zoning District.

The application received a favorable recommendation from the Planning Commission on October 7, 2025. Planning and Zoning Commission of voted unanimously (4-0-3 with 3 members absent) to recommend approval of this Conditional Use request, subject to a pending written agreement, and for the approval to be subject to Conditions 1 through 9 of the Planning Commission's recommendation as follows:

1. Docking is limited to private commercial properties, unless otherwise approved to dock at public facilities by the Mayor and City Council.
2. Noise such as, but not limited to, music and crew announcements will not be amplified while operating in residential areas adjacent to the canal or at the ticket kiosk.
3. Boats must operate at the posted speed and in accordance with Coast Guard regulations.
4. Boats must be appropriately sized for narrow canals.
5. The floating dock shall be posted for use by only the OC Bay Hopper.
6. Only two of the passenger boats operated by the OC Bay Hopper can be docked at the floating pier.
7. The Conditional Use must be renewed after five years from the date of the signed agreement.
8. Life rings shall be readily available within the docking area

of the vessel(s).

9. Bike racks shall be provided onsite, and the location of these bike racks shall be approved by the Zoning Administrator of the Department of Planning and Community Development.

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Approve with Conditions 1-9 from the Finding of Facts.



1st Class Resort and Tourist Destination

ALTERNATIVES: Amend Conditions or Deny Request

RESPONSIBLE STAFF: Sabrina J. Hecht, Zoning Administrator Planning and Community Development

COORDINATED WITH: George Bendler, Director of Planning and Community Development

ATTACHMENT(S): 1. _25-12100002_OC_BAY_Hopper_FOF_to_MCC_package.pdf



TOWN OF OCEAN CITY

The White Marlin Capital of the World

PLANNING AND ZONING COMMISSION

AGENDA

Tuesday, October 7th, 2025

**Meetings are held in the Council Chambers on the 1st floor of City Hall,
301 Baltimore Avenue, Ocean City, Maryland.**

REGULAR SESSION – 6:00pm

I. APPROVAL OF MINUTES

- a) Approval of September 3, 2025 minutes

II. PUBLIC HEARING

- a) Pursuant to the provisions of Article II, Section 5, Conditional Uses, a request has been filed under the provisions of Section 110-544, Uses permitted by Conditional Use in the SC-1, Shopping Center, Zoning District, by reference to Section 110-514(22), Uses permitted by Conditional Use in the LC-1, Local Commercial, Zoning District that the Mayor and City Council may approve a use not specifically named in these regulations, provided, however, that such use shall be in keeping with uses specifically permitted in the LC-1 district, to permit the operation of a water taxi business, ticketing and sales office and docking of water taxi boats at the head of the east end of the lagoon leading to Assawoman Bay. The site of the request is described as Lot 2 and Revised Lot 1, Section 2 of the Caine Harbor Mile Plat, dated October 1978; further described as located on the west side of Coastal Highway and south side of Ocean City Square, and known locally as 11703 Coastal Highway, in the Town of Ocean City, Maryland. (**APPLICANT: STEPHEN BUTZ for OC Bay Hopper, Blue Bimini Inc., - (PZ FILE #25-12100002)**).

III. STAFF/ATTORNEY COMMENTS

- a) Discussion of Chapter 110 – Zoning, Article V, Supplementary Regulations, Division 3 Off Street Parking Sec. 110-932. Minimum number of spaces.

COMMISSIONER COMMENTS

PUBLIC COMMENTS

ADJOURNMENT

Applicants or their representatives are required to be **present** at their PUBLIC HEARING/SITE PLAN/RESUBDIVISION/APPOINTMENT reviews.

MAYOR

Richard W. Meehan

CITY COUNCIL

Matthew M. James
President

Anthony J. DeLuca
Secretary

John F. Gehrig, Jr.
Jacob H. Mitrecic
Carol Proctor
Will Savage
Larry R. Yates

CITY MANAGER

Terence J. McGean, PE

CITY CLERK

Diana L. Chavis, MMC

PLANNING AND ZONING COMMISSION MINUTES

Wednesday, September 3, 2025

ATTENDEES:

Members

Joe Wilson
Pam Robertson
Gordon Kretser
Tony Butta
Palmer Gillis
Kevin Rohe
Janet Hough

Staff

George Bendler, Director
Sabrina Hecht, Zoning Administrator
Chase Phillips, Zoning Analyst
Maureen Howarth, Commission Attorney

This Planning Commission meeting took place at 6:00 p.m. at City Hall located at 301 Baltimore Avenue, in the Town of Ocean City, Maryland.

The Planning Commission meeting began with all of the above-mentioned individuals in attendance. Chairman Joe Wilson then stated that the first order of business would be to go into closed session.

I. Administrative Matters

The Commission reviewed the minutes for the August 19, 2025 meeting.

Motion/ Janet Hough and **Second/** Palmer Gillis to approve the minutes for the meeting of August 19, 2025.

This motion passed unanimously (7-0).

II. Site Plan Review

Site Plan Review for the Irene Condominium Pool Deck Addition is a proposed improvement project involving the construction of a new outdoor pool deck and pool area within an existing residential condominium property known as the Irene Condominium located at 11100 Coastal Highway, in the Town of Ocean City, Maryland.

APPLICANT: Becker Morgan Group – (PZ FILE #25-18100008)

Mr. George Bendler, Director, provided a staff presentation of the above-mentioned site plan application. This included a summary of renovations of the pool deck for the Irene Pool Deck, confirmation that it will comply with the beach building limit line, and the accessibility features to comply with ADA standards. He stated no variances or special exceptions are needed for the project, including no impact to off-street parking, and that it currently complies with the town's requirements as it has gone through the Technical Review Committee.

Mr. David Botscheller, Professional Engineer with the Becker Morgan Group, provided an Applicant's presentation. He provided summaries related to engineering standards and specifications, staging required for construction, how the dunes will be protected,

and how he plans to meet all of the Critical Area mitigation and stormwater management requirements.

Mr. Gordon Kretser provided comments regarding his recommendation to have an alternative to the silt fencing that is currently proposed because this can be problematic when on pavement. Mr. Botscheller stated they are willing to make this change to enhance the effectiveness sediment and stormwater/erosion control.

Motion/ Pam Robertson and **Second/** Palmer Gillis to approve the site plan request with all staff conditions. This motion passed unanimously (7-0).

III. Staff Updates

- A. Introduction of proposed code amendment to Chapter 110 – Zoning, Article V, Supplementary Regulations, Division 3 off Street Parking Sec. 110-935. Design standards. PUBLIC HEARING at later date to be determined.

Mr. George Bendler facilitated an introductory discussion regarding the potential for a code amendment to require garage driveway aprons for townhome projects with drive aisles.

The Commission discussed how some developments in the past have not had this design feature, and many consider it a detriment to a fully functioning parking configuration. The Commission shared concerns with how the lack of the driveway apron negatively impacts the proper accessibility and movement of vehicles on private drive aisles in dense residential communities.

The Commission was in consensus that the general idea of requiring driveway aprons in multifamily developments with drive aisles would provide benefits to

residential design and that the Commission should consider this type of code amendment through a public hearing.

Motion/ Palmer Gillis and **Second/** Kevin Rohe to proceed with staff advertising and preparing for a public hearing to further discuss the subject code amendment that is being considered.

This motion passed unanimously (7-0).

B. Introduction of Maryland 60-day review of the Draft Ocean City Comprehensive Plan. Determination of date to hold Comprehensive Plan Public Hearing.

Mr. Bill Neville provided an update with the Comprehensive Plan. He stated that the 60-day time from has been completed, and all state comments have been received. The Comprehensive Plan update is now ready for public comment.

The Commission decided that October 21st would be the most suitable date for a public hearing to allow for utmost notice for members of the public to participate.

IV. Public Comment

No members of the public were present to provide any other comments.

V. Adjournment

Motion/ Palmer Gillis **Second/** Janet Hough to adjourn and close the meeting. This motion passed unanimously (7-0).

Approval of Minutes

Joseph B. Wilson, Chairperson

Date

Janet Hough, Secretary

Date



TOWN OF OCEAN CITY

DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

STAFF REPORT

DATE: October 07, 2025

TO: Planning and Zoning Commission

FROM: George M. Bendler, AICP, Planning & Community Development Director
Sabrina J. Hecht, AICP Zoning Administrator
Chase M. Phillips, Senior Zoning Analyst

RE: **(PZ FILE #25-12100002)** Conditional Use Application for OC Bay Hopper Blue Bimini INC 11703 Coastal Highway, Ocean City, Maryland to allow for a water taxi business, sales office and docking of taxi boats in the Shopping Center District (SC-1) Local Commercial (LC-1) District.

The Department of Planning and Community Development has reviewed the conditional use application submitted by Stephan Butz for the OC Bay Hopper, Blue Bimini Inc., which proposes to continue the Conditional Use as a water taxi service upon submission of the application on September 3, 2025.

Applicant

Stephan Butz
3500 Boston Street STE#502
Baltimore, Maryland 21224

for OC Bay Hopper, Blue Bimini Inc.
11703 Coastal Highway
Ocean City Maryland, 21842

Property Description

OC Bay Hopper 11703 Coastal Highway Ocean City, Maryland 21842
The subject property is described as a water taxi service.

ZONING CLASSIFICATION: Shopping Center (SC-1) and Local Commercial (LC-1)

LOT AREA: Land, building and floating pier.

Request

Request to renew the Conditional Use Permit #19-12100001 and #20-12100001 for the purpose of operating a water taxi business ticketing and sales office and the docking of water taxi boats at the head of the east end of the lagoon leading to Assawoman Bay in its current location 11703 Coastal Highway OC Hopper operates (2) pontoon boats (28x2).

Project History

- **Port Warden Approval**
 - January 10, 2019

- **Planning and Zoning Conditional Use Approval**
 - February 20, 2019
- **Mayor and City Council Approval**
 - March 18, 2019
- **Conditional Use Approval Signed**
 - April 11, 2019
- **Conditional Use Approval update at 2 years to renew every 5 years**
 - October 19, 2020
- **Business License Valid Thru**
 - May 31, 2026
- **Insurance Valid Thru**
 - May 01, 2026

TOWN CODE

Sec. 110-544. - Uses permitted by conditional use.

The following uses are permitted by conditional use in accordance with article II, division 5, of this chapter: Any use permitted by conditional use in the LC-1 local commercial district shall be permitted by conditional use within the SC-1 shopping center district, except those uses which appear either as a permitted use or accessory use within the SC-1 shopping center district.

Sec. 110-514 (LC-1) Local Commercial District: - Uses permitted by conditional use. The following uses are permitted by conditional use in accordance with article II, division 5, of this chapter: (10) Water-related recreational activity.

Proposed Use:

The proposed use consists of a ticket office in an existing kiosk building and Coast Guard approved passenger boats that will dock at a privately owned bulkhead in the large canal basin. The office kiosk is compatible with uses permitted in the Shopping Center (SC-1) District. The passenger boats will operate in the tidal waters of the canal and bay with other privately owned vessels. The Planning Commission believes the conditions listed below will help ensure that the passenger boats are operated safely and appropriately as they navigate the canal near residential communities.

Consistent with the Comprehensive Plan

2017 and 2025 Draft: The waterways will continue to provide recreational benefits and possibly a limited amount of transit. A bayside “water taxi” ferrying tourists from the north to a location near the inlet could serve a useful dual purpose. This service would provide relatively rapid transit and a

guided tour of the bayside at the same time. The water taxi concept could also be used from Ocean City to the mainland (possibly Ocean Pines). The water taxi's impact on the overall transportation situation may be small, but it would provide an interesting addition to Ocean City's recreational opportunities and could become its own attraction. Opportunities to promote such a water taxi service and link such services to land-based transit alternatives should be explored. Any private sector interest in developing a water taxi service should be encouraged.

Staff Recommendation

Planning & Community Development staff has reviewed the conditional use as presented and finds it consistent with applicable requirements, subject to the conditions outlined below. Compliance with all relevant governmental regulations and any additional requirements the Planning Commission may determine appropriate during its review. The business has been operating continuously and successfully from April 2019 to present day 2025.

Conditions for Approval

1. Docking is limited to private commercial properties, unless otherwise approved to dock at public facilities by the Mayor and City Council.
2. Noise such as, but not limited to, music and crew announcements will not be amplified while operating in residential areas adjacent to the canal or at the ticket kiosk.
3. Boats must operate at the posted speed and in accordance with Coast Guard regulations.
4. Boats must be appropriately sized for narrow canals.
5. The floating dock shall be posted for use by only the OC Bay Hopper.
6. Only two of the passenger boats operated by the OC Bay Hopper can be docked at the floating pier.
7. The Conditional Use is renewable after five years from the date of the signed agreement

Enclosures:

- (1) Application
- (2) Supporting Documentation
- (3) OCMD Director of Tourism letter

Sabrina J. Hecht, AICP
Zoning Administrator

Business Owner
Signed & Notarized

Enclosure 1

CONDITIONAL USE/SUBDIVISION VARIANCE APPLICATION FORM
PLANNING AND ZONING COMMISSION
OCEAN CITY, MARYLAND

DATE: 9/3/2025 FILE NO: 19-12100001
APPLICANT: Stephen Butz RECEIPT NO: _____
OWNER/OPERATOR BLUE BIMINI
MAILING ADDRESS: 3500 Boston Street STE #502
BALTIMORE, MARYLAND 21224
TELEPHONE: 443-756-4479 steve@bluebimini.com

PURPOSE OF APPLICATION (CHECK ONE)
CONDITIONAL USE ☒

VARIANCE FOR SUBDIVISION REGULATIONS _____

APPLICATION DESCRIPTION:

BLUE BIMINI INC. (Formerly "Thrive Engineering" and DBA
"OC BAY HOPPER" seeks to renew the Conditional Use
granted by the Mayor & City Council for the purpose of operating
a water transportation business at 11703 Coastal Highway
Details provided in ATTACHMENT "C"

PROPERTY DESCRIPTION (MUST BE ACCURATE, INCLUDING LOT AND BLOCK AND DESIGNATION, IF ANY):

OC BAY HOPPER OPERATES TWO CAROLINA SKIFFS
(28' x 9') that are USCG inspected annually and are always
operated by a USCG Captain from a floating dock located
next to our business headquarters at 11703 COASTAL HIGHWAY.
SEE ATTACHMENT A/B FOR ZONE DESIGNATION + LOT + BLOCK.

Before a public hearing can be scheduled, the following must be submitted to the Planning and Zoning Commission:

1. Descriptive site plan of land parcel subject of the application indicating all aspects of the site that are pertinent to the hearing (8 sets of plans to be submitted with application).
2. Filing fee in the amount of \$450.00 payable to the Mayor and Council of Ocean City, pursuant to Section 110-53 of the Code of Ocean City, Maryland.
3. Properly completed application form, including signatures and notarization if required.

This application form, to be submitted to the Planning and Zoning Commission must contain the following information:

(a) If the **applicant is a corporation**, the names and residences of the officers, directors, and all stockholders owning more than 20% of the capital stock of the corporation: STEPHEN BUTZ (34%) 606 Westway Drive Ocean City, MD 21842
DAVID BUTZ (27%) 1750 Glenville Road Havre de Grace, MD 21078

(b) If the **property owner is a corporation**, the names and residences of the officers, directors, and all stockholders owning more than 20% of the capital stock of the corporation: _____

(c) If the **applicant is a partnership**, whether a general or limited partnership, the names and residences of all general partners, and all partners who own more than 20% of the interest in the partnership: _____

(d) If the **property owner is a partnership**, whether a general or limited partnership, the names and residences of all general partners, and all partners who own more than 20% of the interest in the partnership: _____

(e) If the **applicant is an individual**, his name and residence: _____

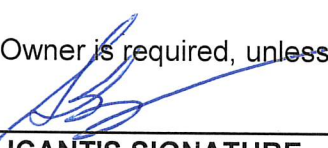
(f) If the **property owner is an individual**, his name and residence: _____

(g) If the **applicant is a joint venture**, unincorporated association, real estate investment trust, or other business trust, the names and residences of all persons holding an interest of more than 20% in the joint venture, unincorporated association, real estate investment trust, or other business trust: _____

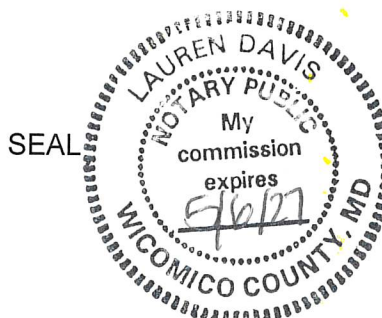
(h) If the **property owner is a joint venture**, unincorporated association, real estate investment trust, or other business trust, the names and residences of all persons holding an interest of more than 20% in the joint venture, unincorporated association, real estate investment trust, or other business trust: _____

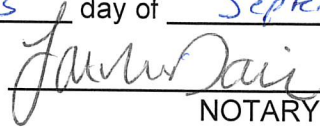
I/We hereby make the above application and by signing below, applicant represents that he has properly completed the application form, and that he assumes all responsibility for errors contained herein.

(Notarization of signature of Applicant and Property Owner is required, unless signed in the presence of the Zoning Administrator.)


* **APPLICANT'S SIGNATURE**

Subscribed and sworn before me this 3rd day of September, 2025




NOTARY PUBLIC

My Commission Expires: 5/6/27

* **PROPERTY OWNER'S SIGNATURE**

Subscribed and sworn before me this _____ day of _____, 20____

NOTARY PUBLIC

SEAL

My Commission Expires: _____

*If a Corporation, the President of the Corporation must sign.

(h) If the **property owner is a joint venture**, unincorporated association, real estate investment trust, or other business trust, the names and residences of all persons holding an interest of more than 20% in the joint venture, unincorporated association, real estate investment trust, or other business trust: _____

I/We hereby make the above application and by signing below, applicant represents that he has properly completed the application form, and that he assumes all responsibility for errors contained herein.

(Notarization of signature of Applicant and Property Owner is required, unless signed in the presence of the Zoning Administrator.)

*** APPLICANT'S SIGNATURE**

Subscribed and sworn before me this _____ day of _____, 20

NOTARY PUBLIC

SEAL

My Commission Expires:

*** PROPERTY OWNER'S SIGNATURE**

Subscribed and sworn before me this 3 day of September, 2025

NOTARY PUBLIC

My Commission Expires:

July 31, 2027

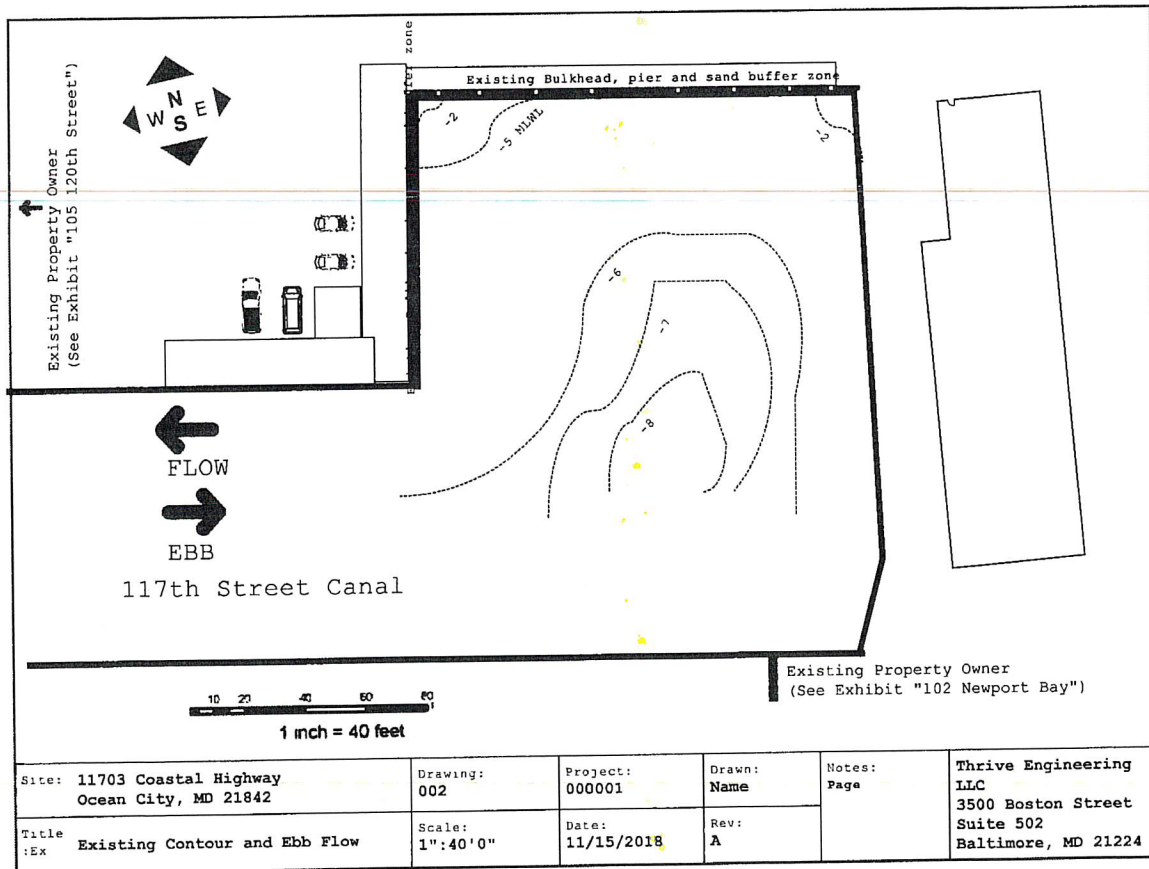
*If Corporation, the President of the Corporation must sign.



2



ATTACHMENT "B"



Attachment "C"

Dear Mayor and City Council,

We are seeking a five year renewal of our conditional use (File #19-1210001) to continue to operate our business, OC Bay Hopper, at the Ocean City Square Retail Center located at 11703 Coastal Highway, Ocean City, Maryland.

We were deeply appreciative of the opportunity that the Mayor and City Council granted us five years ago. With that opportunity, we believe that we have built a business that not only provides a valuable water transportation service to the city, but also provides visitors and residents with an opportunity to enjoy the Coastal Bays of our region.

Initially, our concept and business was met with some resistance from our neighbors on the canal. Through multiple public hearings, we listened closely to their concerns and developed a business plan and practices that would ensure we not only become a valued resource to the community, but also become "stewards of the canal"- consistently ensuring the canal stays refuse-free.

After our first year of operation- as we reported back to the Mayor and City Council in a public hearing in the fall of 2020- we heard back from our neighbors that we had proven our business could peacefully co-exist within the residential area. Furthermore, we heard directly from our staunchest critics that they had been "wrong" about us and were glad to have us as a resource.

Over the last five years, we have safely transported over 30,000 people on over 6,000 trips from this location, which we fondly refer to as our "World Headquarters." We carefully track complaints about our business, and report the following:

2019- two complaints

2020- one complaint

2021- 2025 (through Labor Day) Zero Complaints

We monitor all of our vessels and their speed through a GPS tracking system called "Linx-Up" and we get alerts anytime the speed of our boats in the canal is greater than 4 knots. (We train our captains to operate with "bare steerageway.")

Along the way, we have delighted a wide range of residents and tourists which is evident in even a cursory review of our Google/Trip Advisor/Facebook reviews. We are happy to provide samples if requested. Suffice to say, we frequently hear from our customers that their trip on the OC Bay Hopper was the absolute highlight of their Ocean City vacation!

We are seeking no changes to the conditional use that we have operated under. We do not believe that adding another vessel to our operation at 11703 Coastal Highway would be the right thing to do in terms of our relationship with the community. Furthermore, we are committed to

continuing to run our business under the set of restrictions put forth by the Mayor and City Council 5 years ago. These rules are outlined below:

1. Docking is limited to private commercial properties unless otherwise approved to dock at public facilities by the Mayor and City Council or on private property.
2. Noise, such as, but not limited to, music and crew announcements not be amplified while operating in residential areas adjacent to the canal or at the ticket kiosk.
3. Boats must operate at the posted speed and in accordance with Coast Guard regulations.
4. The floating dock shall be posted for use by only the OC Bay Hopper.
5. Only two (2) 27' Carolina Skiff passenger boats operated by the OC Bay Hopper can be docked at the floating pier.
6. Restrooms at the kiosk will be signed, open, and available for customers.
7. Hours of operation are 8:30 AM to midnight, with the last pick up at 10 PM.

In summary, we believe that not only have we operated a safe and effective business during the past five years we have also created something of great value for Ocean City residents and visitors to use and enjoy. We would like another opportunity to continue to delight our customers for an additional five years.

Respectfully Submitted,

Stephen Butz, Owner

OC Bay Hopper Link to all comments from public 2025

<https://docs.google.com/document/d/17SfEZR6Hk8Hm4u90cGctnWQkA5hCBJ-DXX1919XyOp0/edit?tab=t.0>

Great experience

Very nice experience. Reasonably priced. Our captain was great! He was very informative and personable. We got to see lots of horses and even saw some dolphins. Just beautiful scenery and terrain all around.

Aug 27, 2025

Amazing Time!!

This was the best 3 hours spent in Ocean City! Captain Patrick was amazing, so kind and informative. Even let our son drive the boat! Amazing views of the Assateague island wild horses and the weather was perfect. Would do another tour with this company - highly recommended!

August 27, 2025

A highlight of our vacation

Captain Bryce did a great job leading us around the area, providing us with history about Ocean City, the inlet, the local architecture, the working port and industries, and, of course, the wildlife. We even had a chance to see dolphins that had swum in due to an offshore storm. Our party consisted of 4 adults and 1 toddler and Bryce responded to everyone (even the most curious of us) extraordinarily well. Highly recommend--especially at the start of a longer stay to the OC area; the tour really helps you get the lay of the land. (Or... the water? :))

Aug 20, 2025

Worth the experience!

We recommend! We had a great tour with our captain, Kathy! Unfortunately we didn't see any ponies (due to weather and incoming storms) but Kathy was an expert of all things in the bay and still gave us a great tour of all nature would allow her! She gave some great recommendations of other things to get into both in town and out in nature around OC. We plan to go again!

Aug 19, 2025

Family vacation

Captain was wonderful. This is a perfect trip to take your family on in OCMD. Well worth every penny.

Aug 11, 2025

My fault I missed the tour. I was not able to make the reservation. My bus tour to OC was late leaving so we were stuck in traffic. I appreciate that they tried to call me to see if I was close by.

Jul 27, 2025

Orange Crush cruise is a must!

Our captain Kathy was absolutely amazing and very knowledgeable during our cruise! She pointed out several things on our trip about the fisherman, the waterways, certain homes & businesses and of course the wildlife. We picked up an absolutely delicious lunch from Harborside bar and of course we washed it all down with their famous orange crush drink which is now officially recognized as the states drink! During our cruise we even made a water rescue which was a first for our captain. We all jumped into action to save a swimmer and get her safely to shore. Our captain gave many great recommendations that we will definitely check out next time in OCMD! We will definitely book another cruise, it is definitely worth it and it was the highlight of our vacation there.

Jul 24, 2025

Best boat ride EVER

Wonderful ride in this boat. The smoothie place was great. He even played Happy Birthday to the birthday girls. Sam was very knowledgeable and fun

Jul 11, 2025

Captain Keith YOU ROCK

We took the morning Assateague Cruise and it was exceptional. Captain Keith was amazing, we felt like we were cruising along with a long time friend, he was that engaging and down to earth. He told us all about local historical facts and made a lot of casual conversations. We laughed and enjoyed a great morning experience. We had perfect weather which definitely made it perfect. Best cruise!!! Book it!

Jun 25, 2025

Great experience to see the wild horses

Convenient boarding from North OC location. Our tour guide Patrick was excellent. He was knowledgeable and engaged with everyone on board. Highly recommend this relaxing cruise to see the Assateague wild life. We saw a herd of the wild horses, dolphins and lots of birds.

Jun 13, 2025

Link from OC Tourism page:

Spectral Voyage: Scary Stories at Sea at Sunset

Presented By:

Blue Bimini

When:

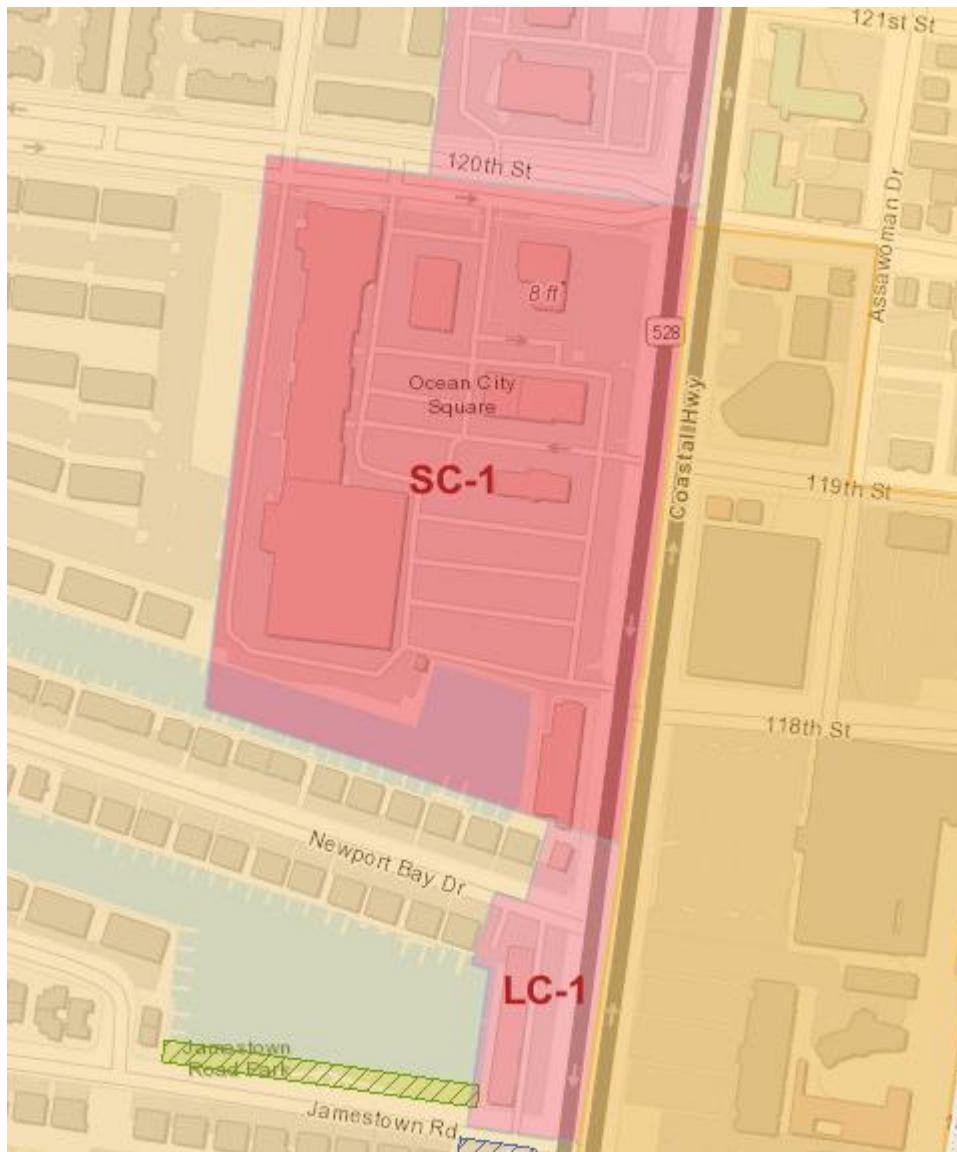
9/10/2025, 9/17/2025, 9/24/2025, 10/1/2025, 10/8/2025, 10/15/2025, 10/22/2025,
10/29/2025, 10/31/2025

[Visit Website](#)











Issuing Company: StarNet Insurance Company
Corp Trust Center
1209 Orange Street
Wilmington, DE 19801

COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

Policy No.: MLA 5643850 - 10

Billing Method: Direct Bill

Previous Policy No.: -

Payment Plan: 4A

Named Insured Name and Address

Blue Bimini, Inc
DBA OC Bay Hopper & Sail Alyosha
3500 Boston St., Suite 502
Baltimore, MD 21224-5273

Agency Name and Address

(207)781-5553
Brown & Brown Insurance Services, Inc
366 Us Route 1
Falmouth, ME 04105-1371

02031

POLICY PERIOD

Policy Period: From 05/01/2025 to 05/01/2026 at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description:

Form of Business: Corporation

IN RETURN FOR YOUR PAYMENT OF THE PREMIUM AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Premium

TOTAL: \$ 24,519.00

FORMS APPLICABLE TO ALL COVERAGE PARTS

See attached "Schedule of Forms and Endorsements"

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGES FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned: _____
(Date)

By: _____
(Authorized Representative)

Enclosure 2



Somewhere to Smile About.

To Whom It May Concern,

I am writing to wholeheartedly recommend the OC Bayhopper as an invaluable asset to the tourism landscape of Ocean City, Maryland. As a local resident and frequent visitor to our beautiful coastal town, I have experienced firsthand the unique and enriching opportunities that the OC Bayhopper provides for both tourists and residents alike.

The OC Bayhopper is more than just a mode of transportation; it is an experience that enhances our community's appeal. Offering a scenic and enjoyable way to navigate the waterways of Ocean City, the Bayhopper allows passengers to immerse themselves in the stunning natural beauty of our coastal environment. The vistas of the bay, the charming waterfront properties, and the vibrant marine life create a memorable journey that is unique to our area.

One of the standout features of the OC Bayhopper is its commitment to promoting alternative transportation. In a time when sustainability is paramount, the Bayhopper offers an eco-friendly option that reduces traffic congestion and minimizes carbon footprints. By providing a convenient and enjoyable means of travel, the OC Bayhopper encourages visitors to explore different parts of the city without relying solely on cars. This not only enhances the overall visitor experience but also helps to preserve the pristine environment that draws so many people to Ocean City.

Moreover, the OC Bayhopper supports local tourism by connecting visitors with key attractions, restaurants, and events throughout the area. Its routes are thoughtfully designed to cater to the interests of tourists, making it easy for them to explore all that Ocean City has to offer. From the bustling boardwalk to the serene beaches, the Bayhopper provides seamless access, allowing guests to create their own personalized adventures.

In conclusion, I strongly support the OC Bayhopper as a vital component of Ocean City's tourism infrastructure. Its unique approach to transportation, commitment to sustainability, and ability to enhance the visitor experience make it an essential service for our community. I encourage everyone to take advantage of what the OC Bayhopper has to offer and to support this wonderful addition to our coastal town.

Sincerely,

Tom Perlozzo

Director, Tourism & Business Development

O: 410-723-8609

M: 443-235-2356

E: tperlozzo@oceancitymd.gov

**4001 Coastal Hwy,
Ocean City, MD 21842**

**ococean.com
1-800-OC-OCEAN**

Enclosure 3

1 1 TOWN OF OCEAN CITY 2 PLANNING AND ZONING COMMISSION 3 4 APPLICANT: 5 Stephen Butz 6 PZ File No. 25-12100002 7 8 Tuesday, October 7, 2025 9 10 6:00 p.m. 11 Council Chambers 12 301 Baltimore Avenue 13 Ocean City, Maryland 14 15 16 COUNCIL MEMBERS: 17 GORDON KRESTER 18 KEVIN ROHE 19 TONY BUTTA 20 JANET HOUGH 21 SPENCER CROPPER, Attorney 21 Reported by Kathy A. Zeve, RPR	3 1 docking the water taxi boats at the head of the east 2 end of the lagoon leading to Assawoman Bay. The 3 site of the request is described as lot two and 4 revised lot one, Section 2 of the Caine Harbor Mile 5 Plat, dated October 1978; further described as 6 located on the west side of Coastal Highway and 7 south side of Ocean City Square, and known locally 8 as 11703 Coastal Highway in the Town of Ocean City, 9 Maryland. Applicant Stephen Butz for OC Bay Hopper , 10 Blue Bimini Incorporated. PZ File 25-12100002. 11 I need to ask whether there's anybody that 12 objects to any of the Commissioners serving at this 13 hearing this evening? 14 Seeing as no one objects, we'll continue. 15 MS. HECHT: Thank you. 16 (Whereupon, Ms. Hecht was sworn in.) 17 MS. HECHT: Sabrina Jean Hecht, 301 18 Baltimore Avenue, Ocean City, Maryland 21842. 19 So I'm the zoning administrator. And I 20 quickly just want to start out with this Planning 21 Commission meeting to talk about -- we're still in
2 1 TRANSCRIPT OF PROCEEDINGS 2 MS. HOUGH: Call to order this meeting 3 for October 7th, 2025. First on the agenda are 4 the approval of the minutes. 5 MR. KRESTER: I'll make a motion to 6 approve the minutes. 7 MR. ROHE: Second. 8 MS. HOUGH: Approved. And we have a 9 Public Hearing this evening. Pursuant to the 10 provisions of Article II, Section 5, conditional 11 uses, a request has been filed under the provisions 12 of Section 110-544, uses permitted by conditional 13 use in the SC-1, shopping center, zoning district, 14 by reference to Section 110-514(22), uses permitted 15 by conditional use in the LC-1, local commercial, 16 zoning district, that the Mayor and City Council may 17 approve a use not specifically named in these 18 regulations provided, however, that such use shall 19 be in keeping with uses specifically permitted in 20 the LC-1 district, to permit the operation of a 21 water taxi business, ticketing and sales office, and	4 1 the Public Hearing, but I wanted to talk about the 2 history of land use and why we're here today. 3 And you can see this is from land use in a 4 nutshell. And it talks about in the Roman period 5 around 450 B.C. that there was the 12 tables. And 6 whoever sets a hedge around the land shall not 7 exceed the boundary; in the case of the wall, it 8 shall be one foot; in the case of the house, two 9 feet. If a well, a path, an olive or fig tree, 10 nine feet. So that was important, like, 2000 years 11 ago. So what we're doing today and what you all do 12 on a regular basis helps protect our land and our 13 people. So we'll get right back into this. 14 Okay. We did the minutes. And I also -- 15 I had emailed everybody, the Planning Commission 16 members, and put onto our public forum the agenda 17 for today, so everybody got a copy of it. And then 18 the public out in the community can be able to 19 follow along with us. So you'll be able to see it 20 on your screen today. 21 So here is the staff report. And myself,

5 1 again, I'm Sabrina Hecht, the zoning administrator. 2 And we have George Bendler who is the Planning and 3 Zoning director. And Chase phillips who is our 4 senior zoning analyst. 5 So the Department of Community Development 6 has reviewed the conditional use application 7 submitted by Stephen Butz for the OC Bay Hopper, 8 Blue Bimini Incorporated which proposes to continue 9 the conditional use as a water taxi service upon 10 submission of the application on September 3rd. 11 And we have Stephen Butz here today. And the 12 property description is OC Bay Hopper, 11703 Coastal 13 Highway, Ocean City, Maryland 21842. The subject 14 property is described as a water taxi service. 15 The zoning classification is shopping 16 center SC-1, and local commercial LC-1, and the lot 17 area is the land, building and a floating pier. 18 The request is to renew the conditional 19 use permit 19-12100001 and number 20-12100001 for 20 the purpose of operating a water taxi business, 21 ticketing and sales office, and the docking of water	7 1 which appear either as a permitted use or accessory 2 use within the SC-1 shopping center district. 3 So the proposed use consists of a ticket 4 office in an existing kiosk building and Coast Guard 5 approved passenger boats that will dock at the 6 privately owned bulkhead in a large canal basin. 7 The office kiosk is compatible with uses permitted 8 in the shopping center SC-1 district. The passenger 9 boats will operate in the tidal waters of the canal 10 and bay with other privately owned vessels. The 11 Planning Commission believes the conditions listed 12 below will help ensure that the passenger boats are 13 operated safely and appropriately as they navigate 14 the canal near residential communities. 15 So this is consistent with the 16 comprehensive plan both in 2017 and our 2025 draft 17 which you will hear next week. 18 The waterways will continue to provide 19 recreational benefits and possibly a limited amount 20 of transit. A bayside water taxi ferrying tourists 21 from the north to a location near the inlet could
6 1 taxi boats at the head of the east lagoon heading to 2 Assawoman Bay in its current location, 11703 Coastal 3 Highway. OC Bay Hopper operates two pontoon boats 4 28 by two. 5 The project history, we received Port 6 Warden approval on January 10th, 2019; Planning 7 and Zoning conditional use approval on 8 February 20th, 2019; Mayor and City Council approval 9 on March 18th, 2019; conditional use approval was 10 signed on April 11th, 2019; conditional use 11 approval update at two years to renew every five 12 years on October 19th, 2020; business license is 13 valid through May 31st, 2026; and the insurance is 14 valid through May 1st, 2026. So we are at our 15 five-year renewal. 16 The following uses are permitted by 17 conditional use in accordance with Article II, 18 Division 5, of the Chapter: Any use permitted by 19 conditional use in the LC-1 commercial district 20 shall be permitted by conditional use within the 21 SC-1 shopping center district, except those uses	8 1 serve a useful dual purpose. This service would 2 provide relatively rapid transit and a guided tour 3 of the bayside at the same time. The water taxi 4 concept could also be used from Ocean City to the 5 mainland, possibly Ocean Pines. The water taxi's 6 impact on the overall transportation situation may 7 be small, but it would provide an interesting 8 addition to Ocean City's recreational opportunities 9 and could become its own attraction. Opportunities 10 to promote such a water taxi service and link such 11 services to land-based transit alternatives should 12 be explored. Any private sector interested in 13 developing a water taxi service should be 14 encouraged. So again, that was in 2017. We're here 15 in 2025. That's going to be updated. Until it's 16 updated, the language will probably change a little 17 since that's actually already occurred since 2017. 18 So staff recommendation, Planning and 19 Community Development staff have reviewed the 20 conditional use as presented and finds it consistent 21 with applicable requirements, subject to conditions

9 1 outlined below. Compliance with all relevant 2 governmental regulations and any additional 3 requirements the Planning Commission may determine 4 appropriate during its review. The business has 5 been operating continuously and successfully from 6 April 2019 to present day 2025. 7 So conditions for approval, this is what 8 was done five years ago, and then in the beginning. 9 Docking is limited to private commercial properties, 10 unless otherwise approved to dock at public 11 facilities by the Mayor and City Council. Noise 12 such as, but not limited to, music and crew 13 announcements will not be amplified by operating in 14 residential areas adjacent to the canal or at the 15 ticket kiosk. Boats must operate at the posted 16 speed and in accordance with Coast Guard 17 regulations. Boats must be appropriately sized for 18 narrow canals. The floating dock shall be posted 19 for use by only the OC Bay Hopper. Only two of the 20 passenger boats operated by the OC Bay Hopper can be 21 docked at the floating pier. The conditional use is	11 1 Our captain was great. He was very informative and 2 personable. We got to see lots of horses and even 3 saw some dolphins, just beautiful scenery. And that 4 was August of this year. And there must have been 5 150 comments. So again, at that cursor we can look 6 if needed. 7 And then it keeps going on and on. People 8 like orange crushes. They like -- it's family 9 oriented. It's also going out and having fun, going 10 and seeing, you know, all the different restaurants. 11 Okay. And then the last -- here's some 12 pictures that I took about a month ago. This is the 13 ADA handicap ramp down to the boats. And here then 14 are some chairs where they sit and wait when the 15 boats are, you know, coming and going. 16 And again, this is the kiosk. The ramp 17 down to the floating pier onto the boats. People 18 can sit in chairs and wait. 19 And then this is the kiosk where you go in 20 and you pay and you tell them what you're doing. 21 There's actually a bathroom in there as well. Very
10 1 renewable after the five years of the signed 2 agreement. 3 So this is the application that was part 4 of the package from Stephen Butz. 5 And here's the Food Lion shopping center. 6 The location, now that I'm turned around upside 7 down, is right here where my cursor is. This is 8 where the kiosk is. The floating piers down here. 9 And this is where the boats are docked. You can see 10 on my screen where my cursor is. 11 And then, again, this is the attachment B 12 going into the floating dock. 13 And then this is from Stephen Butz. This 14 is his kind of why it is so important for his 15 business. And we can go back to that if we need to. 16 And then I kind of put some comments kind 17 of in the documentation. You can also click on the 18 link here or click on the link when I sent it a week 19 ago of all of the highlights. I don't know if I 20 need to read it, but we can keep it up here for a 21 minute. Very nice experience. Reasonably priced.	12 1 clean. I went in there. 2 And here is the SC-1 shopping center and 3 LC-1. The kiosk is right here where my cursor is. 4 Kiosk here. 5 And then this is the insurance. 6 And this is the letter from Tom Perlozzo, 7 the director of Tourism and Business Development 8 talking about how important this is. If you go onto 9 their website, you can actually see that they 10 promote the OC Bay Hopper for some of the events 11 that are going on within the Town of Ocean City. 12 So do you have any questions or -- 13 MR. BUTTA: I have one question. So I 14 did walk by there as well. I live not too far from 15 there. If people are sitting up there, it doesn't 16 look like there's a lifesaving thing up here. Like, 17 if a little kid would fall in the water or anything 18 like that. That's the only thing that concerned me 19 a little bit. 20 And then also the kind of gate was open. 21 It was last week. And no one was there. It's very

13 1 quiet before the Country Calling. It just looked 2 like anybody could kind of wander in there. And I'm 3 just, you know, concerned because there's a grocery 4 store right near there. A little kid gets away, he 5 falls in the water, that could happen. That was my 6 only concern. 7 I mean, I think it's a great idea. I 8 think it eliminates some of the traffic because 9 people can come from Ocean Pines instead of driving 10 over here and stuff like that. 11 MR. CROPPER: If you want to respond, 12 we'll just have you come up to the mic, and I'll 13 swear you in really quick, and you can answer any of 14 the questions. 15 (Whereupon, Mr. Butts was sworn in.) 16 MR. CROPPER: Please state your name and 17 address for the record. 18 MR. BUTZ: Stephen Butz, 606 West Way, 19 Ocean City, Maryland. 20 MR. CROPPER: Good to go. 21 MR. BUTZ: So the -- the gate is	15 1 picture, the long walkway going to the ramp, is that 2 part of your space, too? 3 MR. BUTZ: No. 4 MR. ROHE: It's just where the ramp is 5 and going southbound? 6 MR. BUTZ: That's correct. We try to -- 7 I mean, quite honestly, we try to maintain the 8 entire area just because it's a fence that gets a 9 lot of trash blown up there against the fence, et 10 cetera, so we work to try to keep it clean. But 11 it's -- we stay focused on what you see there. 12 MR. ROHE: I mean, I agree, Tony, about 13 the -- I mean, maybe a life ring would be okay. I 14 mean, really that situation is no different than 15 going to a marina, I mean, frankly. You know, 16 walking down a marina, you know, there's charter 17 businesses, there's a business, a business -- but in 18 recognizing that you're -- you know, there's -- it's 19 a service in and out for children for life safety 20 features that probably -- that probably would be a 21 good idea. So that the -- you know, mount a six by
14 1 interesting because the community walks by there on 2 either side of the gate. And we have been told they 3 don't want it shut because it's a passthrough to get 4 to the Food Lion. So I'm a little bit -- I don't 5 know what to do about the gate. 6 We typically keep it shut, but there's 7 people that live on Jamestown Road -- I mean, right 8 there that walk through the property along the water 9 to get to the Food Lion, and they open the gate. 10 And it doesn't feel like it's in our right to say 11 you can't use the gate. So I'm happy for direction 12 on that. 13 We certainly could put a life ring there 14 if that is something that people would like. I 15 mean, that's not a problem. 16 But I guess my -- I'm just trying to -- 17 the gate there, like, that thoroughfare that's shown 18 there, people walk along that from the community 19 adjacent to get to Food Lion. Not our customers. 20 MR. BUTTA: Right. 21 MR. ROHE: The walkway that's in the	16 1 six post, a vinyl post with the ring on it. Maybe 2 one here, one down there might -- you know, it just 3 adds that extra little bit of security for the, you 4 know, parents that may have their children. 5 MS. HOUGH: Even for your customers that 6 are walking along there, just to have it. 7 MR. BUTZ: Yeah. I would just also try 8 to get direction from the City. Like, would I need 9 to get approval for that kind of thing? Or is this 10 meeting approval to say, okay, install a six by six 11 post? 12 MR. ROHE: We can do a recommendation 13 that we're recommending for you to do for the 14 approval. 15 MR. BUTZ: Okay. That would be great. 16 MS. HOUGH: If you had to get a permit 17 or anything to do that, you would have our 18 recommendation. 19 MR. BUTZ: Okay. 20 MR. ROHE: Yeah. You probably actually 21 would not -- George, you wouldn't have to have a

17 1 permit? You would essentially bolt a post -- one of 2 those six by six posts with two bolts and put up a 3 stainless steel ring and a loop and a throw rope. 4 It would just make your -- it would -- it's a safety 5 feature. It makes your business look that much 6 better. And it's low cost. 7 MR. BUTZ: Sure. 8 MR. KRESTER: Although three complaints 9 in five years is amazing, I'm just curious of the 10 nature of those complaints. Were they neighbors, or 11 just something out of the blue? You don't have to 12 go in detail. 13 MR. BUTZ: So the first year we operated 14 there was lots of angst about how it was going to 15 go. 16 MR. KRESTER: I remember. 17 MR. BUTZ: And we had -- the optics of a 18 27-foot boat, 28-foot boat coming down a canal, 19 like, it's -- it's very difficult. If you have, 20 like, a paddle boarder in front of you, it doesn't 21 matter how slow the boat is going, the optics are,	19 1 There aren't any changes? 2 MR. BUTZ: Yeah. It doesn't feel -- 3 yeah. Yes. It doesn't feel right to put another 4 boat in there. I just think it will make it too 5 congested. It's not -- we really value the 6 relationship we have built with the community there. 7 A lot of them are very regular customers. And we're 8 not trying to do anything to jeopardize that. 9 I thought a little bit about trying to get 10 permission with big storms to actually have another 11 Bay Hopper that I could tuck up there because it's 12 very protected, but I just -- honestly, I didn't 13 want to go through any changes that would cause me 14 any angst. I'm fine with how it is. 15 MS. HOUGH: Anyone have any questions? 16 MS. HECHT: Chase was telling me that I 17 have to say something. There should be testimony 18 about parking. Is there plenty of parking there? 19 MR. BUTZ: Lots of parking, yes. 20 MS. HECHT: And then I'm supposed to say 21 this meeting complies with all state and local
18 1 whoa, this is -- you know, this is crazy. So we 2 work very hard to train our captains. They go bare 3 steerage way down the canal. 4 We have -- I have a GPS system on all of 5 our boats that sends an alert if we get a speed 6 greater than four knots in that canal. So we have, 7 you know, buttoned that up pretty good. 8 The complaints were, hey, they're going 9 too fast, you know, that kind of thing. 10 Like, you could see, I haven't heard one 11 in three years. So our boats up until this year had 12 the phone number plastered on the side so we would 13 hear if anything -- 14 MR. KRESTER: That's why not to get a 15 phone call on just about anything you do. 16 MR. BUTZ: We're very happen with our 17 safety record. We transported over 12,000 people 18 over the year, no accidents, no incidents. 19 MR. ROHE: That's a good record. 20 MS. HOUGH: And what we're hearing is 21 just a conditional use of what you've been doing.	20 1 noticing requirements, because we did post at the OC 2 Bay Hopper. 3 MS. HOUGH: And I need to ask whether 4 there's any members of the public that have any 5 comments this evening? 6 Seeing as there are none, do I have a 7 motion to grant the continuation of the -- 8 MR. CROPPER: If I could just interject 9 just momentarily. If you're done seeking any 10 testimony from the applicant, you want to close the 11 public portion of the hearing. Then after that -- 12 well, if you want to do that first, then I'll go 13 into what should be considered by the Planning 14 Commission as far as maybe coming to their motion. 15 MS. HOUGH: Seeing that there are no 16 other public comments, we are closing the public 17 portion of this meeting. 18 MR. CROPPER: Perfect. So under 19 110-122, I don't believe it's in your packets, but 20 it's under 110-122 of the Town Code. There are just 21 certain considerations that the Planning Commission

21 1 should take into consideration in choosing whether 2 or not to make a recommendation to the Mayor and 3 City Council. 4 It's under Subsection B. I'll just read 5 it into the record if that works. And then if 6 there's any that maybe we forget or you want me to 7 repeat as you're discussing it, I'm more than happy 8 to do so. 9 So these four things are -- it's kind of 10 geared more towards what the Mayor and City Council 11 tends to look at, but they rely upon the discussion 12 of the Planning Commission. So it kind of creates 13 two birds with one stone so to speak. 14 So the things you would look at and 15 whether -- and here it would be population change, 16 availability of public facilities, present and 17 future transportation patterns, compatibility with 18 existing and proposed development for the area, in 19 relationship of this conditional use with the 20 comprehensive plan. Those are the elements that you 21 would be looking at in your discussions in making a	23 1 that's something that we try to push on a lot of our 2 projects. I would recommend a bike rack. That 3 would cut down on any traffic for your -- I mean, 4 people ride bikes all the time. 5 MR. BUTZ: Sure. 6 MR. ROHE: So that's a big thing that we 7 try to push as well a bike rack. 8 MR. BUTZ: I bike Ocean City all the 9 time myself. 10 MR. ROHE: You could put two of those 11 side by side. It would take care of 25 bikes right 12 there. 13 MR. BUTZ: Yep. There is a bike rack in 14 front of the Food Lion right there. If you go back 15 to the picture, I would -- again, it's the same 16 thing. I just would like some guidance on approval 17 and whatever permitting needs to happen for that. 18 If you go back to the kiosk picture, 19 there's no -- well, unless you tell me that we can 20 use a sidewalk for a bike rack. I just don't want 21 to get in any trouble with the road.
22 1 motion, whatever that motion may be. 2 MS. HOUGH: Is there any discussion as 3 to -- 4 MR. BUTTA: I mean, it's a continuation. 5 MS. HOUGH: A continuation, yes. 6 MR. ROHE: One thing -- let's go back to 7 the parking part. I mean, do you get a -- is 8 there -- I'm assuming there's a lot of foot traffic 9 being at the Carousel, you got a lot of highrise 10 stuff. 11 MR. BUTZ: We have a lot of people that 12 come in to get their groceries that are, like, what 13 do you do. I mean, lots of that. 14 MR. ROHE: Right. 15 MR. BUTZ: But they're parking at the 16 grocery store to use the groceries -- the Food Lion 17 there. 18 MR. ROHE: So do you have a bike rack 19 there as well? 20 MS. HECHT: We do not have a bike rack. 21 MR. ROHE: We would -- we would --	24 1 There's not any room on that square. That 2 square is -- 3 MR. ROHE: On that corner -- what about 4 on the opposite corner, the southern corner on the 5 other side where that -- what about behind the 6 benches where the rocks are? They don't take up 7 that much room. Like, right -- there's a blue and 8 yellow chair. You got a spot between your building 9 and the blue chair right there. 10 MR. BUTZ: So there's -- yes. If you 11 look at the cars right there, sir, the cars that are 12 parked behind there, when a car parks there there's 13 about this much room (indicating). 14 MR. ROHE: Got you. 15 MR. BUTZ: So I'm quite certain a bike 16 rack wouldn't work there. 17 MR. ROHE: Right. 18 MR. BUTZ: In the grassy area there 19 where the cursor is, potentially if that would be -- 20 MR. ROHE: What's the block? 21 MS. HOUGH: Is that public shopping

25 1 center area, the grassy area? 2 MR. BUTTA: So it's behind the fence. 3 MR. BUTZ: It's behind a fence. 4 MR. BUTTA: Yeah. I was thinking where 5 the grass is where the fence is, you know, somewhere 6 in that area because it looks like it's kind of a 7 dead end -- 8 MR. BUTZ: Yeah. The fence -- 9 MR. ROHE: What about if you just put it 10 right up against the fence and point the bikes right 11 towards the fence? 12 MR. BUTZ: On the grassy side that's 13 possible. But it's not on the -- it's fence, 14 sidewalk, road. And there's, like, three feet of 15 sidewalk. 16 MR. BUTTA: Inside the fence. 17 MR. BUTZ: Yeah. 18 MS. HECHT: We can work with, you know, 19 the applicant and Food Lion to find a place because 20 not -- it wouldn't just maybe be for OC Bay Hopper. 21 The bike rack -- I live right there, and I ride my	27 1 traffic, and your business does that as does biking. 2 MR. BUTZ: Sure. 3 MS. HOUGH: It perfectly fits with the 4 goals of the comprehensive plan. 5 Any other continuing -- 6 MR. CROPPER: By the way, I think you've 7 probably touched on population change with the bike 8 racks and the shopping center there. 9 Availability of the public facilities, 10 perhaps you hit on that with the bike racks as well. 11 You just hit the comprehensive plan. 12 Compatibility with existing and proposed 13 development for the area, you might have hit on 14 that, too, but that seems to be the only remaining 15 item. 16 MS. HOUGH: Absolutely compatible with 17 the area, especially with all the condominiums there 18 with people not wanting to move their car from their 19 single parking spot to be able to come and take your 20 boats. 21 MR. KRESTER: It's one of the few
26 1 bike there, too. It's very congested at Food Lion. 2 So we can come up with a location that would work 3 out, like, in the site plan. So I don't think we're 4 going to resolve it tonight, but something that 5 would work for the OC Bay Hopper. 6 MR. ROHE: We would like to see it 7 happen. 8 MS. HOUGH: We can add that. 9 MR. ROHE: It is a good -- I mean, bike 10 riding in the town, it minimizes the parking issues. 11 I mean, it can increase your business because people 12 are, like, hey, honey, it's -- we're not driving 13 anywhere. And it might be that moment where they 14 want to go for a sunset cruise or whatever the case 15 may be, and they just simply hop on their bikes and 16 go there. There's a family of four. 17 MR. BUTTA: Hence the million of bikes 18 this weekend down in the inlet. 19 MR. ROHE: Yeah, right. 20 MS. HOUGH: And with the comprehensive 21 plan, we're always looking towards improving	28 1 businesses that has ample parking. 2 MR. ROHE: You've got Heron Harbour -- I 3 mean, you've got Heron Harbour, the whole community 4 back on 120th Street, so that corridor is heavy 5 with population. And then behind the Wawa, I mean, 6 you're loaded up. People can hop on their bike and 7 be right up -- I mean, it just -- you know. 8 MR. BUTZ: Sure. 9 MR. CROPPER: Then just one more 10 consideration for the Planning Commission in coming 11 to your -- if you're making a motion to make a 12 recommendation, whether that includes the staff 13 conditions that they have referenced as well as 14 whether you want to consider incorporating bike 15 racks and/or a life ring into it, like, as 16 additional considerations. Just things to keep in 17 mind as you make whatever decision you choose to 18 make. 19 MS. HOUGH: Do we need a motion to 20 include those recommendations? 21 MR. CROPPER: You -- I think you can

29 1 include it in your -- you can include it just in the 2 overall motion. 3 MS. HOUGH: Okay. Life ring and bike 4 racks. 5 MR. CROPPER: And staff recommendations, 6 if you choose to -- 7 MS. HOUGH: And staff recommendations 8 that have been identified. 9 MR. KRESTER: It's continued. Nothing's 10 changed in the conditions, correct? 11 MS. HOUGH: Your staff recommendation s 12 didn't make any changes to a continuation? 13 MS. HECHT: No. So we can add two more. 14 Can we go back to that? 15 MS. HOUGH: Adding two more with that. 16 MS. HECHT: So you can see it real 17 quick. 18 MS. HOUGH: And are we approving this as 19 a body, or are we approving to extend this to Mayor 20 and City Council for a final approval? 21 MR. CROPPER: If you want -- if you're	31 1 last one going out at 10:00 p.m. 2 MS. HECHT: Correct. That was -- 3 MR. KRESTER: That was not included in 4 the staff report. 5 MS. HECHT: Right. We can add that. Is 6 that what your hours of operation are? 7 MR. BUTZ: Yes. 8 MS. HECHT: Are you going to plan on 9 changing them? 10 MR. BUTZ: No. 11 MS. HOUGH: I did have one question. 12 Under your property description where it says it 13 must be accurate and include. It looks -- they 14 operate two Carolina Skiffs. Those are pontoon 15 boats, aren't they, that you use? 16 MR. BUTZ: No. So my understanding -- 17 MS. HOUGH: Are they a skiff with a 18 pontoon? 19 MR. BUTZ: They are boats. They skiffs, 20 flat-bottom boats. 21 MR. ROHE: Flat-bottom skiffs.
30 1 leaning the way I think you're leaning, you would be 2 moving to recommend this to the Mayor and City 3 Council subject to the various conditions. 4 MS. HECHT: So I put up on the board the 5 conditions of approval which is on page three of the 6 three of the staff report. And then if you wanted 7 to add the other ones to the end. 8 MR. KRESTER: There is one thing that I 9 considered. So if you look at Stephen's submission, 10 the conditions on his are a little bit more than the 11 ones from the staff. Was there an update to the 12 original conditions? 13 MS. HECHT: So when I look at the 2019 14 one, there was also a 2020 one because they -- 2019 15 was when it was originally approved. But then you 16 had to go back a year later or two years later and 17 get it approved again. So some of them might have 18 changed a bit, and they're just a slight change. 19 They talked about -- 20 MR. KRESTER: Like, No. 7, hours of 21 operation between 8:00 a.m. to midnight with the	32 1 MR. BUTZ: So they often get called 2 pontoons, and they don't -- 3 MR. ROHE: They're not. 4 MS. HOUGH: It looks like a Carolina 5 Skiff. It's just a different -- anything else? 6 Do we have a motion, then, to approve this 7 and send it on to the Mayor and City Council with 8 the staff recommendations and our recommendations 9 for a life ring and a bike rack? 10 MR. BUTTA: Motion. 11 MS. HOUGH: Tony. Do we have a second? 12 MR. ROHE: I'll second. 13 MS. HOUGH: Kevin. All those in favor? 14 Approved. 15 MS. HECHT: Thank you very much. 16 (Whereupon, the Public Hearing concluded.) 17 18 19 20 21

CERTIFICATE

I, Kathy A. Zeve, a Notary Public and Registered Professional Reporter in and for Worcester County, Maryland, do hereby certify that I recorded verbatim by stenotype the proceedings in the above-entitled cause the Public Hearing, in Worcester County, Maryland, on the 7th day of October, 2025.

I further certify that to the best of my knowledge and belief, the foregoing transcript constitutes a true and correct transcript of the said proceedings.

Given under my hand this 9th day of October, 2025, at Snow Hill, Maryland.


Kathy A. Zeve, RPR
Notary Public

My commission expires: January 9, 2028
Notary Public in and for
the State of Maryland

**PLANNING AND ZONING COMMISSION OF OCEAN CITY
FINDINGS OF FACT**

CONDITIONAL USE #25-12100002

**APPLICANT: STEPHEN BUTZ
3500 BOSTON STREET, SUITE 502
BALTIMORE, MARYLAND 21224**

**OC BAY HOPPER
11703 COASTAL HIGHWAY
OCEAN CITY, MARYLAND 21842**

October 7, 2025

CONDITIONAL USE IN THE LC-1, LOCAL COMMERCIAL DISTRICT, TO RENEW THE PREVIOUSLY APPROVED CONDITIONAL USE FOR THE OPERATION OF A WATER TAXI BUSINESS (a/k/a OC BAY HOPPER) WHICH INCLUDES A TICKETING AND SALES OFFICE AND THE DOCKING OF WATER TAXI BOATS WITHIN THE SC-1 SHOPPING CENTER ZONING DISTRICT.

At their meeting of October 7, 2025, the Planning and Zoning Commission reviewed and considered the above-mentioned application for a Conditional Use permit request for the OC Bay Hopper to continue as a water taxi service in the SC-1 Zoning District. The application received a favorable recommendation from the Planning Commission on October 7, 2025. Upon a motion made by Tony Butta and a second by Kevin Rohe, the Planning and Zoning Commission of Ocean City voted unanimously (4-0-3 with 3 members absent) to recommend approval of this Conditional Use request, subject to a pending written agreement, and for the approval to be subject to Conditions 1 through 9 of the Planning Commission's recommendation. The Planning and Zoning Commission recommend this application to be approved for the following reasons:

1. Population Change:

The proposed use will have no impact on population levels.

2. Availability of Public Facilities:

Adequate public facilities are available and provided to the existing dock and the shopping center at which the business has a kiosk. The Board of Port Wardens has approved a floating dock and ADA accessible ramp which is already serving the business.

3. Present and Future Transportation Patterns:

Internal and external traffic patterns will remain the same. The existing off-street parking lot for the shopping center offers sufficient parking for the business. The location of the business is conducive to patrons who can arrive by walking or by bicycle. Bike racks will be made available to serve patrons who bike to the business.

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4. Compatibility with Existing and Proposed Development for the Area:

The Commission found that the water taxi service is compatible with the existing development of the area because of the high volume of residential units that are in proximity to the business which operates as another means of transit. This reduces parking demand and the number of vehicles on city streets. The business is compatible with people who may arrive by bicycle. The vessels will operate in tidal waters which require them to be in compliance with all Coast Guard requirements and laws. The Planning Commission will recommend certain conditions upon this use which will ensure that the operations are safe and compatible with neighboring residential areas. The Department of Planning and Community Development have no records of violations or complaints regarding this business.

5. Relationship to the Comprehensive Plan:

The Comprehensive Plan provides substantial support for the water taxi use. Excerpts from the Comprehensive Plan are listed below.
Chapter 4 - Transportation

Objectives:

- 4.2. Continue to develop public transportation system alternatives to and on the island to its maximum potential to minimize automobile congestion and impact to air quality.
- 4.6. Decrease reliance on automobile use by continuing to increase transit ridership.
- 4.11. Explore opportunities to establish a bay-side ferry service or encourage use of bayside water-taxis as an alternate mode of transportation.

Waterways

The waterways will continue to provide recreational benefits and possibly a limited amount of transit. A bayside "water taxi" ferrying tourists from the north to a location near the inlet could serve a useful dual purpose. This service would provide relatively rapid transit and a guided tour of the bayside at the same time. The water taxi concept could also be used from Ocean City to the mainland (possibly Ocean Pines). The water taxi's impact on the overall transportation situation may be small, but it would provide an interesting addition to Ocean City's recreational opportunities and could become its own attraction. Opportunities to promote such a water taxi service and link such services to land-based transit alternatives should be explored. Any private sector interest in developing a water taxi service should be encouraged.

Recommendations

Explore opportunities to develop a Town or privately owned bayside "water taxi" or series of taxi services to ferry tourists from the north to a location or locations near the

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inlet. Such a service could provide relatively rapid transit and become its own attraction providing a guided tour of the bayside at the same time thereby providing both transit and recreational benefits.

Explore use of the water taxi concept for use between the Town and the mainland (possibly Ocean Pines). Link any water-based taxi or ferry services to land-based transit systems.

Appendix C

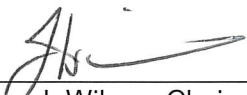
A town with a privately-owned water taxi business(s) that is thriving and has helped diversify transit offerings (tax motive).

6. Recommendation of the Planning Commission:

Therefore, by virtue of the requirements of Section 110-122 of the Code of Ocean City, Maryland, the Planning and Zoning Commission found that the above findings support their favorable recommendation of approval to renew the operations of a water taxi business commonly known as OC Bay Hopper located at 11703 Coastal Highway, Ocean City, and it is in keeping with uses specifically permitted in the SC-1 District, with the following conditions:

1. Docking is limited to private commercial properties, unless otherwise approved to dock at public facilities by the Mayor and City Council.
2. Noise such as, but not limited to, music and crew announcements will not be amplified while operating in residential areas adjacent to the canal or at the ticket kiosk.
3. Boats must operate at the posted speed and in accordance with Coast Guard regulations.
4. Boats must be appropriately sized for narrow canals.
5. The floating dock shall be posted for use by only the OC Bay Hopper.
6. Only two of the passenger boats operated by the OC Bay Hopper can be docked at the floating pier.
7. The Conditional Use must be renewed after five years from the date of the signed agreement.
8. Life rings shall be readily available within the docking area of the vessel(s).
9. Bike racks shall be provided onsite, and the location of these bike racks shall be approved by the Zoning Administrator of the Department of Planning and Community Development.

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11703 COASTAL HIGHWAY, OCEAN CITY
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Joseph Wilson, Chairman

10/21/2025

Date



Janet Hough, Secretary

10/21/25

Date



Kevin Rohe

Date



Gordon Kretser

10/21/25

Date



Palmer Gillis

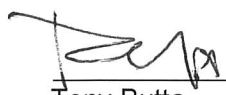
10/21/25

Date



Pam Robertson

Date



Tony Butta

10/21/2025

Date

**MAYOR AND CITY COUNCIL OF OCEAN CITY
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Recommendations

Explore opportunities to develop a Town or privately owned bayside "water taxi" or series of taxi services to ferry tourists from the north to a location or locations near the

inlet. Such a service could provide relatively rapid transit and become its own attraction providing a guided tour of the bayside at the same time thereby providing both transit and recreational benefits.

Explore use of the water taxi concept for use between the Town and the mainland (possibly Ocean Pines). Link any water-based taxi or ferry services to land-based transit systems.

Appendix C

A town with a privately-owned water taxi business(s) that is thriving and has helped diversify transit offerings (tax motive).

6. Recommendation of the Planning Commission:

Therefore, by virtue of the requirements of Section 110-122 of the Code of Ocean City, Maryland, the Mayor and City Council found that the above findings support the Planning and Zoning Commission's favorable recommendation of approval to permit an interior tenant fit-out with the proposed amusement use (escape room) at 8001 Coastal Highway, and it is in keeping with uses specifically permitted in the LC-1 district, with the following conditions:

1. Docking is limited to private commercial properties, unless otherwise approved to dock at public facilities by the Mayor and City Council.
2. Noise such as, but not limited to, music and crew announcements will not be amplified while operating in residential areas adjacent to the canal or at the ticket kiosk.
3. Boats must operate at the posted speed and in accordance with Coast Guard regulations.
4. Boats must be appropriately sized for narrow canals.
5. The floating dock shall be posted for use by only the OC Bay Hopper.
6. Only two of the passenger boats operated by the OC Bay Hopper can be docked at the floating pier.
7. The Conditional Use must be renewed after five years from the date of the signed agreement.
8. Life rings shall be readily available within the docking area of the vessel(s).
9. Bike racks shall be provided onsite, and the location of these bike racks shall be approved by the Zoning Administrator of the Department of Planning and Community Development.

_____ Matthew M. James, Council President	_____ Date
_____ Anthony J. Deluca, Secretary	_____ Date
_____ John F. Gehrig, Jr.	_____ Date
_____ Jacob H. Mitrecic	_____ Date
_____ Carol Proctor	_____ Date
_____ Will Savage	_____ Date
_____ Larry R. Yates	_____ Date



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.E

Council Meeting November 25, 2025

TO: The Honorable Mayor, Council President and Members of Council
FROM: Terence J. McGean, PE, City Manager
RE: Short term rentals in R-1 and MH neighborhoods
DATE: November 19, 2025

ISSUE(S): Concerns regarding the length of stay, quantity, and impacts of Short Term Rentals in R-1 and MH neighborhoods.

SUMMARY: A moratorium on the issuance of new short term rental licenses in R-1 and MH neighborhoods is in place through the end of the year. The moratorium was enacted to offer time to review the effectiveness of new regulations and enforcement procedures for short term rentals and then discuss potential additional measures related to STRs that might be needed in these neighborhoods. The Mayor and Council have completed a survey to prioritize a number of different options to further regulate short term rentals. These options are based on actions taken in other communities to address this issue.

FISCAL IMPACT: Not applicable

RECOMMENDATION: Provide staff direction to produce ordinances related to Short Term Rentals in R-1 and or MH neighborhoods. Ordinances may address: rental turnover, restrictions on the number of short term rentals, and or additional regulations on short term rentals in these areas.



More Livable Community for Residents

ALTERNATIVES: Are shown in the survey.

RESPONSIBLE STAFF: Terence McGean, City Manager
Elton Harmon, Deputy City Manager
George Bendler, Director of Planning and Community Development
Lori Colloway, License Inspector
Heather Stansbury, City Attorney
Maureen Howarth, City Attorney

COORDINATED WITH: Mayor and City Council

ATTACHMENT(S): 1. survey result ppt.pdf

2. Chart of Comp. of Rentals Other Communties.pdf
3. ARTICLE_V.____RENTAL_HOUSING.pdf
4. Pages from 09.05.2019-Proserpio-Davide-Paper.pdf

Neighborhood Short Term Rental

Continued Discussion

Ordinances In Effect

- 2024-10 adding definition of short term and long term rental housing unit; must have parking available; supplementary short term rental license requirement went into effect 1/1/25.
- 2025-01- updates to regs in chapter 14
 - local agent to respond in 60 minutes, to accept service of process and to be able to address remedial action on the property
 - property shall not be advertised to have more bedrooms than allowed by building permit
 - rooms shall not be converted without proper approval

Ordinances In Effect (Cont'd)

- 2025-01 Continued
 - adding the updated enforcement section about suspending and revoking a rental license (one being the amount of calls for service)
 - the occupancy limitation for R1 and MH:
 - two (2) persons per bedroom, plus two additional persons, excluding children aged ten (10) years old and younger, between the hours of 12: 00 midnight and 7: 00 A.M., provided that occupancy does not exceed the maximum allowed occupancy under chapter 10 and the dwelling' s or building' s allowed occupancy use for its provided fire protection features required under chapter 34.

Ordinances If Effect (cont'd)

- 2025-02- updating definitions of “family” - an individual or two or more persons living together, sharing household expenses, occupying and using the entire premises as a single housekeeping unit with a single culinary facility and legally sharing in the ownership or possession of the premises and not exceeding the number of the occupants allowed by the building code, housing code, fire code, or if rented, the rental housing code.
- 2025-05 Moratorium
 - Prohibits the issuance of any new supplementary short-term rental licenses in the R-1 and in the MH. During the Moratorium, the Town shall not accept, process, or review any new application for a supplementary short- term rental license through January 3, 2026

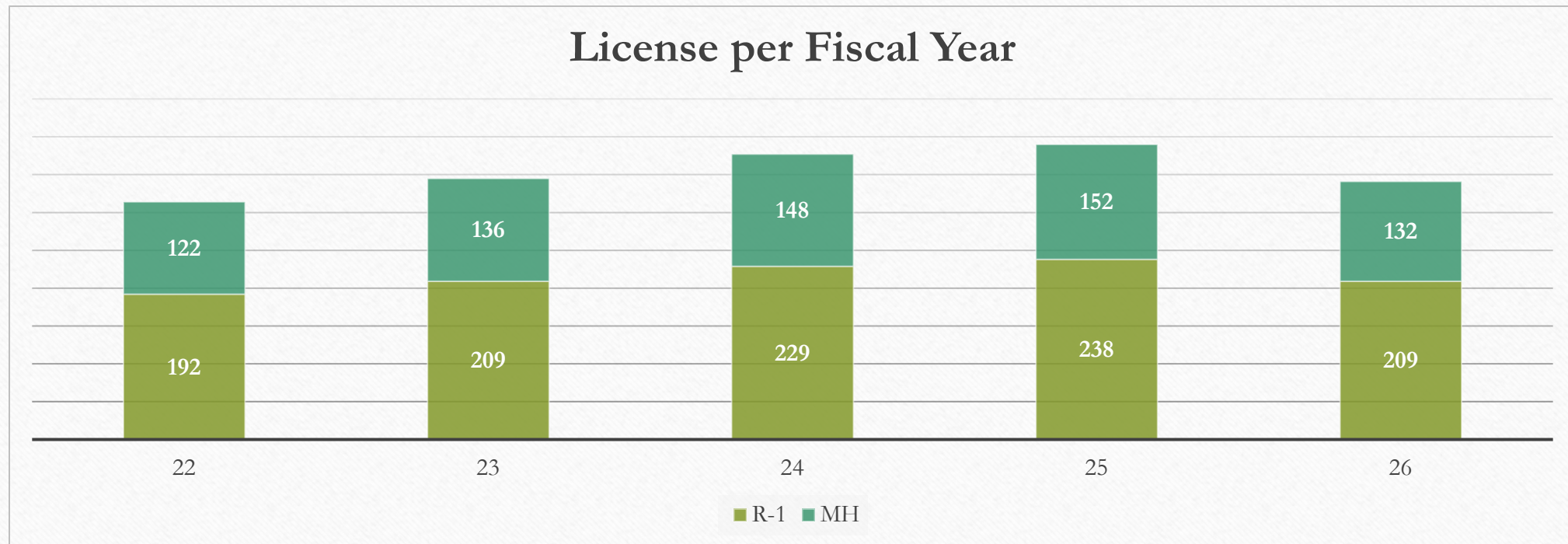
Ordinance Rescinded and Pending

- Ordinance 2025-04 Failed at Referendum – This Ordinance established a minimum length of stay.
 - Beginning February 2025- 5 consecutive overnight minimum length of stay for any dwelling in the R-1 or MH districts
 - Beginning February 2025- 5 consecutive overnight minimum length of stay for any dwelling in the R-1 or MH districts
- Ordinance 2025- Passed First Reading
 - Extends moratorium for 12 months.

Enforcement Trends (since Aug 2025)

- City Wide
 - Properties inspected to date city wide: 304
 - Violations citywide: 28
- R-1
 - Properties inspected to date R-1: 8
 - Violations R-1: 1
- MH
 - Properties Inspected to date MH: 3
 - Violations MH: 2

Rental License Trends

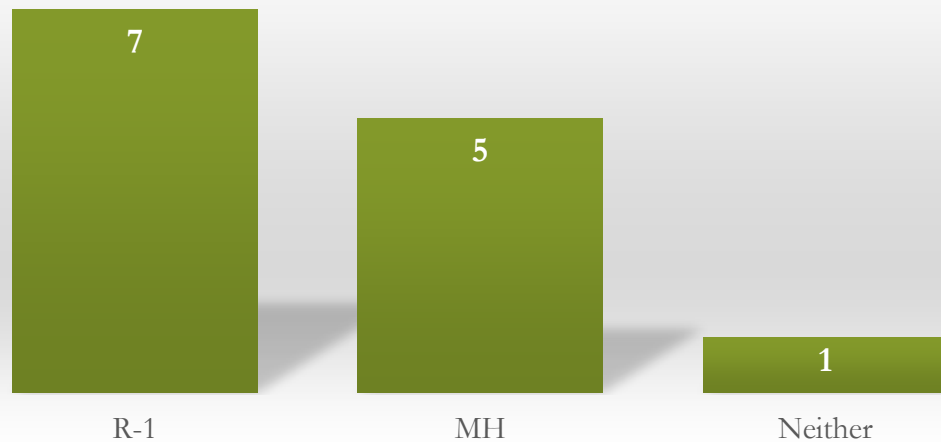


Council Survey

- In an effort to help guide the next round of deliberations on this issue, staff has reviewed our existing regulations, the different ideas that have been put forward during discussions to date, and looked at what other cities have done.
- The first two parts of the survey focus on the very broad issues of exactly what districts need to be addressed and what, in general, are our priorities with these regulations. Are we looking to reduce rental turnover, restrict the number of rental properties, address the adverse impacts of rentals or something else?
- The remainder of the survey looks at different alternatives that could be implemented to address those priorities. These alternatives are not exclusive to each other, they can be combined.
- All Mayor & Council answered questions 1 and 2. Councilwoman Proctor did not rank any of the options in 3A, 3B, or 3C. Those average scores are therefore based on 7 responses.

Question 1 Do you feel we need additional regulations/restrictions on Short Term Rentals in:

What zone(s) need additional restrictions



Comments:

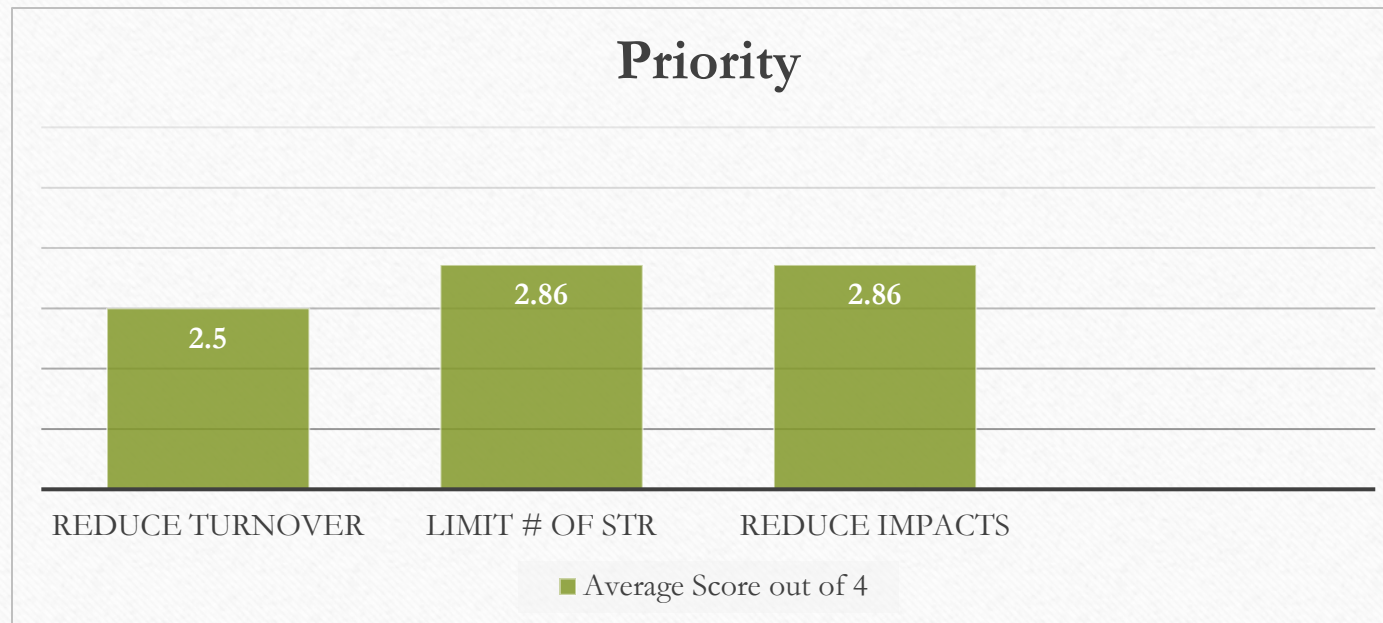
Open to discussion about MH

Permanent moratorium in R-1 and MH

Min length of stay in R-1 and MH

Don't care about zoning, care about neighborhoods

Question 2 What do you consider the goal of additional regulations or restrictions in these districts should be?



Other Goals:

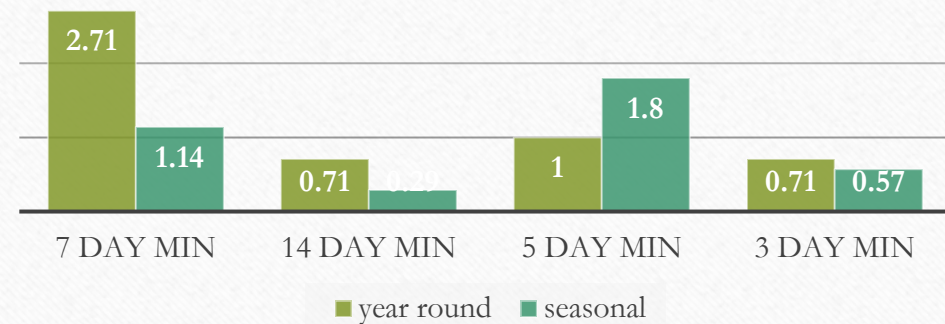
Additional enforcement to address nuisance properties

Protect the character and peace of neighborhoods

Question 3A Actions to reduce rental turnover

- **3A 1** One approach to reducing rental turnover is through the establishment of minimum lengths of stay. Many communities have done this with a seven-day minimum length of stay being a common restriction. None of the 25 communities reviewed had a shorter minimum than seven (7) days. These restrictions can be implemented either year-round or seasonally.

Minimum Length of stay rank out of 5

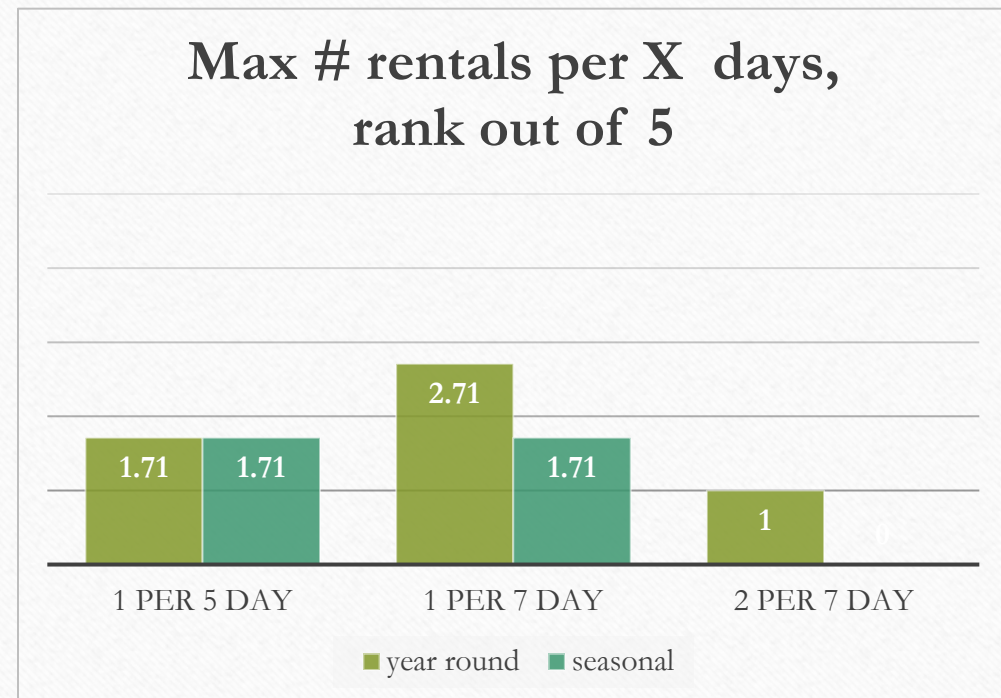


Other: 30 day minimum length of stay

Question 3A Actions to reduce rental turnover

- **3A 2** . The second approach to reducing rental turnover is by restricting the number of rentals that can occur in a given period of time. This was one of the initial recommendations that the Mayor and City Council asked the Planning Commission to consider and what was proposed for the first two years of the ordinance. As with the minimum length of stay approach, these restrictions could be implemented year-round or seasonally.

Comments: More difficult to enforce vs min length.
Would not discourage 1-3 night rentals



Other: 1 per 30 consecutive days

Question 3B Actions to restrict the quantity of short term rentals in R-1/MH

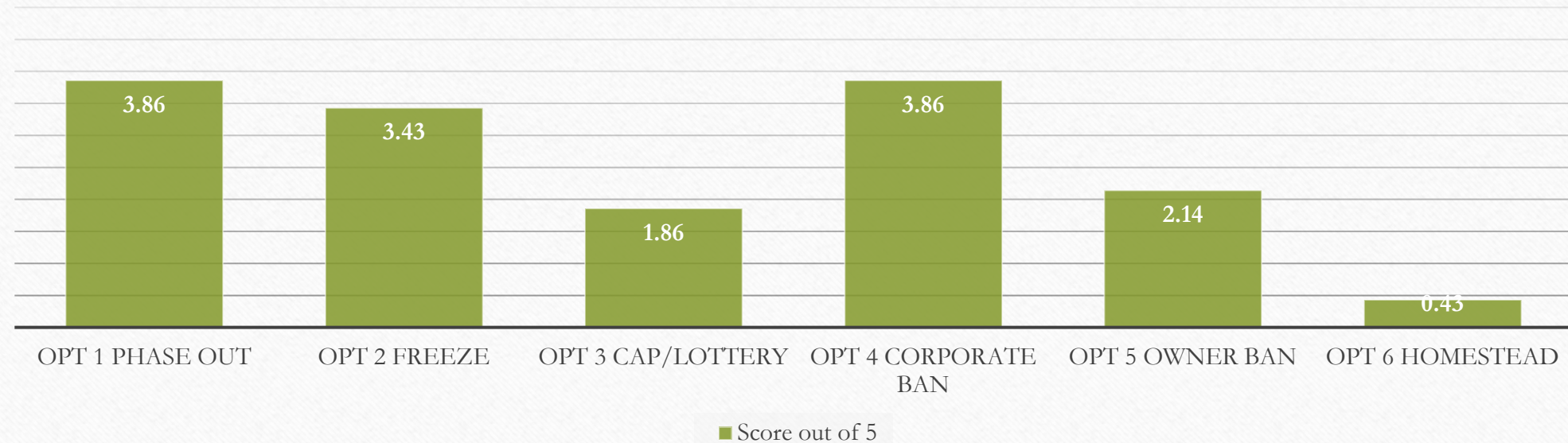
Although the number of rental licenses issued in R-1 and MH communities has remained relatively stable over the past five years, there is a concern that as real estate turns over more properties in these zones may be purchased as investment properties with the specific goal of operating as an STR versus a residence. The result would be a loss of neighborhood character and prices that displace those wishing to become year-round residents. Many other coastal/resort communities are facing the same dilemma and have passed ordinances that either eliminate STRs altogether from residential districts or, limit the number of STR licenses available in those districts

Question 3B

-
- **Opt 1 (Phase Out)** A permanent ban on the issuance of any new STR licenses in the R-1/MH Districts. Existing licenses would remain valid. Licenses would not be transferable and would not run with the property. If a license is not renewed or the property is sold, the license is terminated. Over time the number of STR licenses is reduced to zero.
 - **Opt 2 (Freeze)** A permanent cap the number of STR licenses in the R-1/MH Districts. Existing licenses would remain valid. Licenses would not be transferable and would not run with the property. New license applications would be placed on a waiting list and awarded on a first come first served basis when a property with an existing license is sold or not renewed
 - **Opt 3(Cap)** Establish a maximum number of licenses available in R-1/MH Districts that would be more than the existing number. Existing licenses would remain valid. The additional licenses would be available via a lottery. Licenses would not be transferable and would not run with the property. New license applications would be placed on a waiting list and awarded via a lottery drawing when a property with an existing license is sold or not renewed. (New Orleans Model)
 - **Opt 4** Prohibit corporate or multi-partner investors from obtaining an STR License (Nantucket).
 - **Opt 5** Limiting the number of STRs a single person or entity can own in an R-1/MH
 - **Opt 6** (added by council) Only owners with homestead credit can receive STR License.

Question 3B Results

Options to limit the number of STRs in R-1 and MH



Question 3C Actions to reduce adverse impacts from short term rentals

Ocean City currently has a number of regulations designed to reduce the impact of short-term rentals on the community. These include noise restrictions, maximum occupancy requirements, and life safety inspections. These regulations could be strengthened or there are regulations from other communities that could be considered.

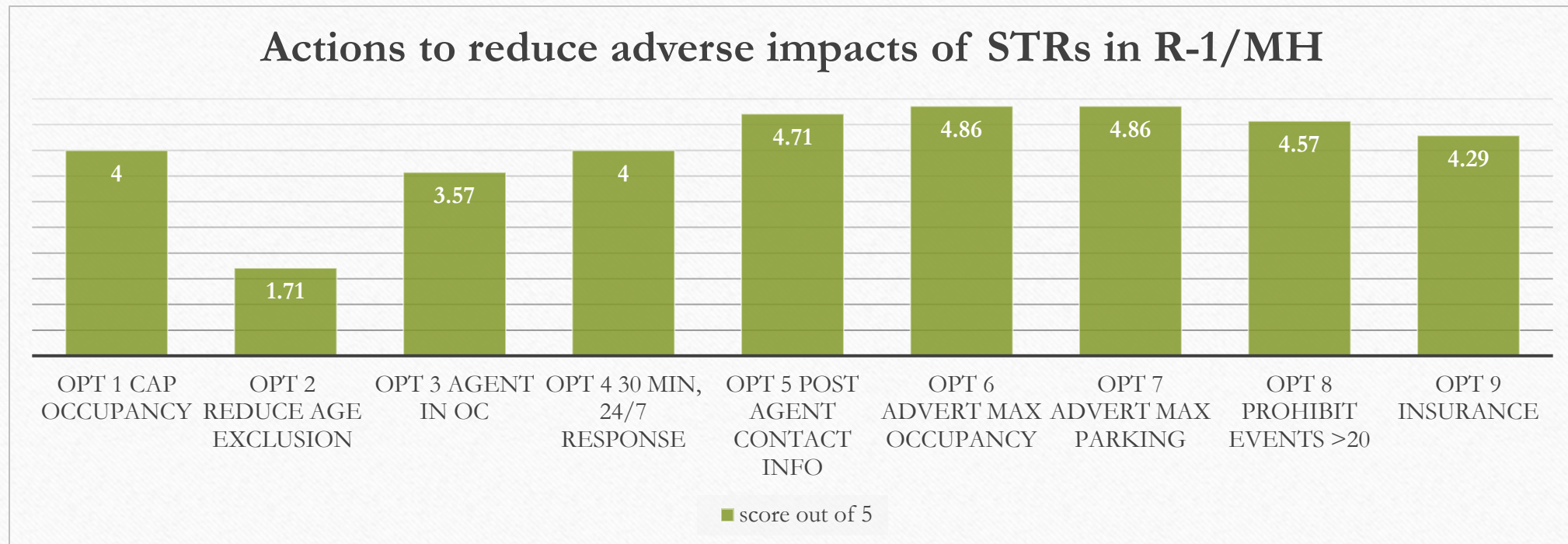
Question 3C

-
- In R-1 and MH communities Ocean City currently restricts occupancy to no more than two adults per bedroom plus two more. Children ten and under are excluded.
 - Opt 1 Cap the number of occupants at 12 adults in R-1 and 6 adults in MH regardless of the number of bedrooms
 - Opt 2 Lower the age for the child exclusion to three or under mirroring other communities and hotel policies:
 - Ocean City currently requires certain noise permit license holders to have an owner agent: (1) to accept service of process; (2) to address any issue on the property to include authorizing repairs and other remedial action; (3) respond to any code violation and be able to respond in sixty (60) minutes to the property.
 - Opt 3 Require R-1/MH STR properties to have a local agent with an office or residence within the Ocean City corporate limits
 - Opt 4 Require R-1/MH STR properties to have a local agent capable of responding to the property within 30 minutes, 24/7:

Question 3C Cont'd

- Ocean City currently requires the rental license and noise permit to be conspicuously displayed in either a front window or door. The permit has a control number that allows a person to look up the rental information on our web site.
 - Opt 5 Require the permit to display the local agent name and contact information
- Ocean City currently prohibits owners from advertising a unit as having more bedrooms than allowed
 - Opt 6 Prohibit owners from advertising more occupancy than allowed
 - Opt 7 Require owners to advertise the maximum allowable parking
- Opt 8 Prohibit hosted events of more than 20 people regardless of the time of day in all R-1/MH districts STR's
- Opt 9 Require each STR license holder to maintain a certain level of liability insurance and file proof of insurance with renewal.

Question 3C Results



Comment: Agent in 10th election district

Other Ideas and comments

- Extend moratorium for 1 year to allow for a full year with inspection program and time for new regulations to be evaluated.
- Extend moratorium to allow time to address issues in R-1 and MH Districts during current comp plan update.
- Ensure the health, welfare, and safety of the communities
- Everyone should be allowed to enjoy their homes and properties peacefully without disruption
- We must do this by creating enforceable ordinances, strictly inspect properties, identify current/ potential problems and enforce violations with a heavy fine schedule and suspend/revoke licenses of repeat offenders and those that refuse to allow the City to conduct our inspections!

Other Ideas and Comments Cont'd

- All persons who rent must be at least 25 years of age
- 25 year old renter must be an occupant on the property
- Cannot rent for underage persons.
- Currently we hear a lot about the adverse affect limiting STR's will have on property value. I've done a bit of research myself but wanted to see if there was data attributed to the other municipalities outlined in this survey so that we can either confirm or counter this claim.
- Signs with QR code and url link
- Complaint form on rental landing page
- Zero tolerance for max rentals in 7 day period. Loss of license for violations

	TOWN	DEFINITION OF SHORT-TERM RENTAL	LENGTH OF STAY - DEFINED?	**OTHER
1.	Nantucket, MA.	A dwelling unit or portion(s) thereof that is not a transient residential facility, where: (i) at least one room or dwelling unit is rented to an occupant or sub-occupant; and (ii) all accommodations are reserved in advance. Rental periods with a change in occupancy in excess of 31 calendar days shall not be considered a short-term rental. The rental of property for a total of 14 days or less in any calendar year shall not be considered a short-term rental.	Minimum “length of stay” is not defined. Chapter 123- Code Chapter 338- Regulations Seems to be a very contentious ongoing issue.	- Requires liability insurance - Local agent available 24/7 who can respond in 2 hrs - Short-term rentals are prohibited in dwelling units owned by a corporation, partnership, real estate investment trust, or any similar entity which pools funds from investors and is engaged primarily in investment activity. - Short-term rentals are prohibited in dwelling units designated as affordable or otherwise income-restricted, which are subject to an affordability restriction or are otherwise subject to housing or rental assistance under local, state, or federal programs or law. - does not create or cause a nuisance to the surrounding neighborhood due to unreasonable noise, overburdening of parking areas, and other nuisance conditions. - The application for the certificate of registration shall include an attestation that the owner and/or operator is in compliance with all applicable federal, state and local laws, including but not limited to G.L. c. 64G and the Fair Housing Act, G.L. c. 151B, and local equivalents and regulations related thereto, and all other regulations applicable to residential dwellings, and that the owner and/or operator of the property is current with all Town taxes, water, and sewage charges and other fees, subject to the requirements of Chapter 19, §§ 19-13 through 19-18, of the Town Code. Any property offered for a short-term rental shall not have any outstanding building, sanitary, zoning, or fire code violations, orders of abatement, or stop-work orders. Nothing contained herein shall relieve the owner or operator from complying with all local permits, rules and regulations issued by the Board of Health and other Town boards generally applicable to resident dwelling units - Occupancy. Occupancy of a short-term rental shall be limited to two people per bedroom plus two additional people in the unit. - Legal action currently surrounding whether STRs are allowed in the “residential old historic district”
2.	East Hampton, NY. (Includes but is not limited to Montauk, NY)	Owners who rent their residential properties by the week, month, season, or year are required to register their rental properties with the Town and obtain a Rental Registry Number	Town limits short-term rentals to a minimum of 14 days and only allows homeowners to “open up” for the two-week stays once every six months	- STR registry - Dealing with black market for weekend rentals - A property owner can rent their residential property up to twice in six months if the rental period is for less than two weeks. If the rental period is for two-weeks or longer, a property owner has no limit on the number of times they can rent their residential property for such a term. - In addition, the current code of no more than four unrelated persons in a residential rental property is in effect. The code

				section that relates to no more than four cars being parked at a rental property that is not owner occupied is in effect.
3.	New York, NY.	The term "short-term rental" means a rental for fewer than 30 consecutive days of a dwelling unit within a private dwelling or class A multiple dwelling, or in the case of a mixed use building, a rental of a class A dwelling unit therein for fewer than 30 consecutive days.	Cannot rent out an entire home/apt for fewer than 30 days. If you do rent for fewer than 30 days, you must be present	Has registry As a host, you must:- - Stay in the same unit or apartment as the guests - Have no more than two guests staying with you - Ensure every guest has access to all parts of the dwelling unit and each exit - Comply with all other laws relating to the use of the space (i.e., no sleeping in an area where it would be illegal to do so, such as an attic, cellar, or garage)
4.	Wildwood, NJ.	Any lease or tenancy, whether written or oral for any term of less than 175 consecutive days where the tenant(s) has/have a permanent place of residence elsewhere and shall include any tenancy between May 1 and September 30.	Minimum "length of stay" is not defined.	- Has occupancy limits
5.	Rehoboth, DE.	Residential Rental A dwelling unit, including a single-family detached, single-family attached, or multifamily unit, or any portion thereof, rented for dwelling, lodging, or sleeping purposes, and which is made available by agreement for residential occupancy by a tenant in exchange for compensation.	Minimum "length of stay" is not defined.	- Overnight occupancy may not exceed two persons per bedroom plus an additional two persons. For example, a rental dwelling that has three bedrooms has a maximum occupancy of eight occupants. Children 6 years of age or younger are not included in the occupant count. - Provide the city with a local contact, who may be reached 24/7 when necessary to assist in remediating concerns about a rental property. - An exception to the overnight occupancy limit under this section may be authorized by the City Manager when an owner requests a greater occupancy limitation than would otherwise be permitted, and demonstrates that the residential rental has been occupied by at least the number of individuals requested for at least 20 consecutive or nonconsecutive days between January 1, 2015, and April 4, 2016. An occupancy exception shall be granted if the Building Inspector determines that the residential rental has adequate accommodations and life-safety features to exceed the occupancy limitations of this section, and the City Manager determines that the additional occupancy will not be a detriment to public health, safety, or welfare. The Building Inspector may require an inspection to determine if there are adequate accommodations and life-safety features. Any request for an occupancy exception must be received by the City Manager on or before April 4, 2017. An exception granted under this section shall be effective until December 31, 2018, and may be reauthorized thereafter by the City Manager upon request.

				§ 270-45 Rental of rooms in R-1 District. A. Persons who were licensed to rent rooms in a structure located in an R-1 District prior to April 11, 1964, shall be permitted to continue to be licensed to rent rooms in the structure, so long as that person continues to rent rooms in that structure and is licensed to do so. B. The exception provided herein shall be personal to the licensee and shall not be transferable by sale, devise, gift or otherwise, nor shall the rights run with the land.
6.	Washington D.C	A short-term rental allows a host to offer fee-based lodging at their primary residence while the host is present on the property (e.g., a bedroom within a home). As long as the host is present, there is no limit on the number of stays allowed during a calendar year; however, each short-term rental stay is limited to 30 or fewer continuous nights. A vacation rental is a type of short-term rental that allows a host to offer fee-based lodging at their primary residence without being present on the property (e.g., the use of the entire home). Cumulatively, vacation rentals cannot exceed 90 nights in any calendar year, and each rental is limited to 30 or fewer continuous nights	A short-term rental: - Host's primary residence - Owner-occupied during rental - Guests have restricted use of home - No limit on the frequency of rentals per calendar year - Rentals cannot exceed 30 consecutive nights A vacation rental: - Host's primary residence - The owner is not on the premises during rental - Guests have exclusive use of the entire home (host and other	- Liability insurance. - Provide the city with a local contact, who may be reached 24/7. - Investment properties and those owned by corporate entities are not eligible. - Occupancy in a short-term rental is limited to a maximum of eight guests, or two guests per bedroom, whichever is greater. - Not prohibited in any district. - *A host may apply for an exemption to the 90-night vacation rental restriction here if their employer, or their spouse or domestic partner's employer, requires them to work outside of the District for more than 90 days cumulatively in any calendar year. The host may also apply for an exemption if they need to leave the District to receive treatment for a serious health condition or to care for a family member who is receiving treatment for a serious health condition for more than 90 days cumulatively in any calendar year.

			guests not present) - Limit of 90 nights cumulatively per calendar year* - Rentals cannot exceed 30 consecutive nights	
7.	Virginia Beach, VA	Short-term rental means the provision of a room or space that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than thirty (30) consecutive days, in exchange for a charge for the occupancy.	Max. two rentals during any consecutive seven-day period.	- Rental registry - STR overlay district and oceanfront resort short term rental overlay district. - Any property utilized as a short-term rental shall provide adequate off-street parking for its guests. A minimum of one parking space per bedroom is required. If such parking cannot be provided on-site, the owner must submit a parking plan indicating how the parking requirement will be met. Such plan shall be reviewed and approved by the zoning administrator. Stacking of vehicles shall be allowed and no on-street parking shall be part of the plan; - Agent to respond in 30 minutes. - The maximum number of persons on the property after 11pm and before 7:00AM shall be 3 persons per bedroom. - No events with more than fifty (50) people present, shall be held absent a special events permit. - Any short term rental that received a conditional use permit between November 1, 2019 and September 7, 2021 and that is located within a zoning district where short term rentals are not a permitted or conditional use, shall be considered grandfathered and shall be permitted to continue subject to the conditions of subsections 241.2(1) through (15) and (17) as modified by the terms of the conditional use permit; • Need to look into this more to see history. - All conditional use permits issued for short term rentals shall expire five (5) years from the date of adoption. The renewal process of the conditional use permit will be administrative

				and performed by the planning department; however, the planning department shall notify the city council in writing prior to the renewal of any conditional use permit for a STR, where the STR has been the subject of neighborhood complaints, violations of its conditions or violations of any building, housing, zoning, fire or other similar codes; and
8.	Nags head, N.C.	Short-term rental means the rental of residential property for vacation, leisure, recreation, or other purposes for fewer than 30 days by a person who has a permanent residence to which he/she intends to return. Short-term rental, whole house means the rental of an entire single-family dwelling to a group operating as one housekeeping unit for vacation, leisure, recreation, or other purposes for fewer than 30 days. Short-term rental, partial house means a resident occupied single-family dwelling that consists of the rental of up to two guest rooms for vacation, leisure, recreation, or other purposes for fewer than 30 days. The partial house short-term rental should be subordinate and incidental to the principal residential use of the dwelling.	Minimum “length of stay” is not defined.	Whole house Short-Term Rentals are not required to provide any additional parking beyond what is required for a single-family dwelling. Partial house Short-Term Rentals are required to provide one additional parking space beyond the minimum requirement for a single-family dwelling. Most single-family dwellings are required to provide parking based on the number of bedrooms, minus two, with a minimum of two parking spaces; for example, both three bedroom and four bedroom homes would be required to provide two parking spaces, while a five bedroom home would be required to provide three parking spaces; if these homes were used as partial house Short-Term rentals, regardless of the number of bedrooms rented, one additional parking space would be required (three parking spaces for the three and four bedroom homes, and four parking spaces for the five bedroom home). Links back to NC State law. Allowed in every zoning district Note partial house Short-Term Rentals are limited to a maximum of two bedrooms; the rental of more than two bedrooms may constitute a bed and breakfast, which may or may not be allowed based on the zoning of the property, and only then with the issuance of a conditional use permit.
9.	Kill Devil Hills, N.C.	Short-term Vacation Occupancy. A residential dwelling that is used and/or advertised through online media or any other means of advertising for occupancy by guest(s) for a period of 30 consecutive days or less.	Minimum “length of stay” is not defined.	- Occupancy limits - Parking requirements - Local contact requirement - Below needs to be fact checked with Kill Devil Hills staff Introduction to Short-Term Rentals in Kill Devil Hills Current Short-Term Rental Permit Requirements in Kill Devil Hills Kill Devil Hills requires all short-term rental operators to obtain proper permits and comply with town regulations: Town of Kill Devil Hills Requirements

				1. Vacation Rental Permit: Required for all properties rented for fewer than 30 days • Application through Kill Devil Hills Planning and Inspections Department • Property must meet all zoning requirements • Compliance with occupancy limits mandatory • Guest registration with the town required 2. Occupancy Limits: Strict adherence to maximum occupancy based on property size • Limits determined by bedroom count and septic/water capacity • Exceeding occupancy limits subject to fines and permit revocation • Must be clearly stated in all rental listings 3. Parking Requirements: Adequate off-street parking must be provided • Minimum parking spaces based on property size • All parking must be on-property or designated areas • Street parking by guests generally prohibited 4. Local Contact Requirement: Must designate a local contact person • Contact must be able to respond within one hour • Contact information provided to town and guests • Responsible for addressing any issues that arise Kill Devil Hills generally allows short-term rentals in: • Oceanfront areas (east of Beach Road/NC Highway 12) • Between the Highways (between Beach Road and Beach Bypass) • Some West Side properties (west of Beach Bypass, particularly soundfront) • Commercial zones (where mixed-use is permitted) STRs face more restrictions in: • Low Density Residential (RL) zones (primarily west side year-round neighborhoods) • High Density Residential (RH) zones (some restrictions apply)
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				Colington Island communities (primarily year-round residential, though some STRs permitted)
10.	Hilton Head, S.C.	A period of less than thirty (30) days.	Minimum “length of stay” is not defined.	- There is a hotline for complaints - “Owner” is a broad definition to include all types of entities - Response of the owner/agent within 1 hour - Display contact information - Noise regulations - Trash regulations - Parking regulations – cannot park off-site/owner must notify renter of exact number of parking spots permitted to be used See Title 10, Chapter 2 – Short Term Rental – Municipal Code.
12.	Emerald Isle, NC.	Fewer than 90 days	Minimum “length of stay” is not defined.	STR’s are permitted in residential districts Local contact within 50 miles
13.	Myrtle Beach, S.C.	Rental of less than 90 days	Minimum “length of stay” is not defined.	Not permitted in in Residential Neighborhoods except multi family residential zone. Fewer than 30 houses in residential zones are grandfathered in
14.	Charleston, S.C.	Between 1 and 29 consecutive days	Minimum “length of stay” is not defined.	Three categories/areas in regular zoning districts Accessory use to a principal residence - restrictions Old and Historic District - 1-29 days but no more 4 adults Peninsula – same as above but also in a building 50 years or older Off Peninsula - No more than 4 adults; does not appear to have a length of stay. Created - Short Term Overlay District – Permitted by Conditional Use - be rented to not more than four (4) unrelated people pursuant to the definition for family for a period of between one (1) and twenty-nine (29) days; provided, however, only one (1) family at a time may occupy and use a dwelling unit converted into a commercial short term rental.
15.	Folley Beach, S.C.	Less than 30 days	Must be rented for a minimum of 28 nights per year to maintain a STR License.	In certain zones, no STRs are permitted (Marsh Island and Conservation zoning) In other zones as of 2024 there is a waiting list for a business license Two people per bedroom plus 2 people

				Investment STRS – not otherwise the legal residence of the owner and can be rented without a period of length of stay. There is max number of these licenses 800 – a cap. There is a waitlist. It is not transferable. If you tear down your house and rebuild you go back on the list and need to re-apply. Medical Hardship Investment STR – Medical circumstances no longer allow the person to occupy. It is not transferable. Owner occupied STRs – That is the legal residence of the owner and can be rented for no more than 72 nights annually. It is not transferable. Provisional STRs – can be rented for no more than 90 days while converting to a OSTR or an ISTR For All – One onsite parking space must be provided for each bedroom being rented Does not appear at the a separate MH district applies but rather a manufactured home is a dwelling unit. Definition of good standing. Sec. 117.01 et. seq. of the municipal code and Ordinance 001-24
16.	Daytona Beach, FL.*	Periods shorter than six months	Minimum “length of stay” is not defined.	STR’s are not permitted in residential neighborhoods.
17.	Del Ray Beach, FL.*	If a unit is rented more than three times in a calendar year for stays of less than 30 days (or marketed as such)	Generally rentals of less than six months in single-family residential areas are prohibited.	STR’s are not permitted in residential neighborhoods. County and State Laws may also apply.
18.	Miami Beach, FL.*	Less than 6 months and 1 day	The rental of apartment or townhome residential properties in districts zoned RM-1, RM-PRD, RM-PRD-2, RPS-1 and RPS-2, CD-1, RO, RO-3 or TH for periods of less than six months and one day is not a	Where permitted – The maximum occupancy for short-term residential rentals shall be a maximum of two persons per bedroom, excluding children under two years of age. Written notice shall be provided to transient occupants, prior to occupancy of the short-term residential rental property, of the short-term residential rental standards and other applicable laws, ordinances, or regulations concerning noise, public nuisance, vehicle parking, solid waste collection, and common area usage.

			permitted use in such districts. Eligibility within North Beach - The short-term rental use requires at least a seven-night reservation. Within North Beach other restrictions apply.	This information shall also be prominently displayed for each transient occupant within the subject property. All rentals must be supervised by the owner, manager, or a local and licensed real estate broker or agent or other authorized agent licensed by the city, who must be available for contact on a 24-hour basis, seven days a week, and who must live on site or have a principal office or principal residence located within the district. See Secs. 7.5.4.13(d) and 7.5.4.11(a) of Resiliency Code. See also Sec. 142-1111 of municipal code setting forth the restrictions on STRs in the limited permitted zones. North Beach – Additional requirement – Contact person. All rentals must be supervised by the owner, manager, or a local and licensed real estate broker or agent or other authorized agent licensed by the city, who must be available for contact on a 24-hour basis, seven days a week, and who must live on site or have a principal office or principal residence located within 500 feet of the property that is engaged in short-term rental. Each agreement, license, or lease, of scanned copy thereof, must be kept available throughout its lease term and for a period of one year thereafter, so that each such document and the information therein is available to enforcement personnel. The name and phone number of a 24-hour contact shall be permanently posted on the exterior of the premises or structure or other accessible location, in a manner subject to the review and approval of the city manager or designee. County and State Laws may also apply.
19.	Naples, FL.*	Less than 30 days	Generally a single family home may only be rented for 30 days or longer; except that 3 times a calendar year, a property can be rented for less than 30 days. However, a property may not be advertised it is available for less than 30 days.	Restrictions are based on zones. County and State Laws may also apply.

20.	Marco Island FL.*		Minimum “length of stay” is not defined.	Currently no restrictions/regulations on duration and frequency. Prior law repealed after Hurricane Ivan. County and State Laws may also apply.
21.	Las Vegas, NV.	Less than thirty-one days	Minimum “length of stay” is not defined.	Only permitted in certain zoning areas. Must be owner occupied during the rental period. Specifically, owner must continue to reside at the unit throughout the rental period, the dwelling unit is the owner's primary residence, and the owner's occupancy includes occupancy and use of a bedroom or other room intended for sleeping purposes. In determining occupancy by the owner during any rental period, the owner's absence, if any, from the unit during the rental period must be attributable only to employment or to the running of typical personal or household errands. Home must not have more than 3 bedrooms; Home must be at least 660 feet from any other STR; Home must be at least 2400 for a resort hotel. Sec. 6.75.010, <i>et. seq.</i> of Las Vegas Municipal Code.
22.	New Orleans, LA.	STR means the use of and enjoyment of a dwelling unit, or any portion, thereof, by guests for a period of less than 30 consecutive days, in exchange for money, commodities, fruits, services or other performances. Hotels, motels, bed and breakfast, and other land uses explicitly defined and regulated on the comprehensive zoning ordinance separately from STRS are not STRS.	Minimum “length of stay” is not defined.	- Operator must be available at all times- 1 hour to resolve issues. - Operator must reside on site (no commercial STR). - Owner and operator have to have a permit. - One commercial short term rental permit per block, a special exception from the block limitation may be sought but only 2 per block. - There are parking requirements. - Commercial vs. non commercial STR definition.
23.	Santa Fe, NM.	Any dwelling unit rented for less than 30 calendar days.	STR is not to be rented more than once within a seven (7)-day period.	This “once in a 7-day period” rule does not apply during the period November 15 to January 15. There is a cap: no more than 1,000 STR permit.
24.	Lewes, DE.	Less the 30 consecutive days	Minimum “length of stay” is not defined.	Local contact means the individual designated by the license holder to meet or satisfy obligations under this ordinance and to serve as the contact person for issues relating to a rental. The designated

				contact must be available twenty-four (24) hours a day to accept telephone calls from the City and, if requested by the City, respond physically to the rental within a reasonable time period, not to exceed two (2) hours when the rental is rented and occupied. Overnight occupancy of a residential rental shall not exceed two persons per bedroom plus an additional two persons. Children twelve years of age 12 and younger shall not be counted towards the overall number of occupants. See Ordinance 2022 -10-10
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* Caution in reviewing all Floridia communities as there remains ongoing State/County/Local disputes and the laws are evolving.

**The above is meant to be an overview and is not every restriction that exists in the area but rather is focused on the length of stay.

***Did not take a deep dive on MH vs. Residential. Some articles suggest the MH’s should be governed by the park rules, only. Other articles suggest that MH’s should be more regulated because of overcrowding.

ARTICLE V. RENTAL HOUSING

Sec. 14-171. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Booking transaction means a reservation transaction between a property owner or their agent and a prospective renter for the rental of a housing unit.

Code violations means violations of this Code or any other code, law, ordinance or regulation adopted and incorporated by reference in this Code.

Division of rental housing means the department of planning and community development or such other department or agency charged by the Mayor and City Council of Ocean City with the duty to implement and enforce the provisions of this article.

Hosting platform means an entity that in exchange for a fee:

- (1) Facilitates reservations of rental housing units;
- (2) Serves as a conduit of communication between property owners and property managers and renters;
or
- (3) Otherwise facilitates any transactions for rental housing units.

Long Term Rental Housing Unit means the use or occupancy, in exchange for consideration, of all or part of a dwelling unit to provide accommodations to a person for 31 or more consecutive days in a calendar year. (Excluding hotels, motels, apartments, dormitories and employee housing).

Person means an individual, group of individuals, partnership, joint venture, corporation, association and any other entity, however named or called.

Property manager means an individual or company that oversees the day-to-day operations of a rental housing unit, including but not limited to, making a rental housing unit available for use by renters.

Rental housing unit means any space in any building which, for a consideration, is made available by any person to another person for habitation purposes.

Short Term Rental Housing Unit means the use or occupancy in exchange for consideration, of all or part of a dwelling unit to provide accommodations to a person for no more than 30 consecutive days in a calendar year. (Excluding hotels, motels, apartments, dormitories and employee housing).

(Code 1972, § 61C-2; Code 1999, § 14-171; Ord. No. 2021-12, 5-17-2021; Ord. No. 2022-03, 3-21-2022; Ord. No. 2024-10, 6-17-2024; Ord. No. 2025-01, 2-3-2025)

Sec. 14-172. Purpose.

The purpose of this article is to ensure compliance with all laws, ordinances and regulations applicable to rental housing units within the corporate limits of Ocean City. It is further the purpose of this article to promote and ensure safe, healthy and habitable housing conditions in rental housing units, to prevent deterioration of

rental housing units and to encourage responsible management, maintenance and use of rental housing units by the inspection and licensing of these units.

(Code 1972, § 61C-1; Code 1999, § 14-172; Ord. No. 2025-01, 2-3-2025)

Sec. 14-173. Reserved.

Ord. No. 2025-01, adopted Feb. 3, 2025, repealed § 14-173, which pertained to enforcement and derived from Code 1972, § 61C-4; Code 1999, § 14-173; Ord. No. 2022-03, adopted March 21, 2022.

Sec. 14-174. License; inspection of premises; records.

- (a) *Licensing generally; certifications.* Any person renting a premises for habitation described in section 14-34(b)(51) of the Code or a rental housing unit shall obtain the applicable license from the town in accordance with chapter 14, article II. The holder of a license shall be the property owner of the premise for habitation or rental housing unit. Application for a rental license (non-business license uses) and/or business license (for hotels, motels, apartments, dormitories, lodging/rooming house and employee housing) (hereinafter collectively "license") shall be on forms prescribed by the town. All property owners shall provide to the town the name, address and telephone number of a person qualified and legally authorized by the owner: (1) to accept service of process; (2) to address any issue on the property to include authorizing repairs and other remedial action; (3) respond to any code violation and be able to respond in sixty (60) minutes to the property. The application shall contain a consent to inspection during reasonable hours for the entire term of the license and a declaration by the property owner stating the number of bedrooms on the property and the required and/or approved onsite parking available. The property owner shall not provide incorrect information on the application.
- (b) *Supplementary short-term rental license.* Effective January 1, 2025, in addition to the license in subsection (a), any person renting a premise for habitation or a rental housing unit in whole or part as a short-term rental housing unit shall obtain a supplementary short-term rental license on the forms required by the Town. A second noise permit under section 30-401 of the Code is not required for the supplementary short-term rental license as the noise control permit shall be obtained and maintained for the license in subsection (a).
- (c) *Review of license application.* The division of rental housing (hereinafter "division") or its designee shall issue or deny a license within 14 days of receiving an application. The division shall receive all applications and coordinate a review process involving the building official, zoning administrator, license inspector, fire marshal and other appropriate Ocean City, county or state agencies. A license may be denied by the division or its designee if material false statements exist in the initial or renewal application; a license is obtained fraudulently or deceptively for oneself or for another; a license is used fraudulently or deceptively; a rental housing unit has been cited for a violation of chapter 30, article V and failed to remediate the noise issue; the property owner fails to comply with chapter 14, article V; the property owner or occupant thereof is in violation of an order issued pursuant to chapter 18; or a rental housing unit fails to comply with all other provisions of the Code. The issuance of a license is not to be construed as proof or acknowledgment by the town that the subject property complies with all applicable laws. The division or its designee shall provide not less than ten days' notice of a denial, in writing, setting forth the code violation(s) and reason(s) for such denial, and allowing the property owner an opportunity to be heard as to why the license should not be denied and advising the property owner if any corrective measures can be taken. If the property owner fails to show cause or fails to take corrective action as directed by the division or its designee, the director or his designee may deny the application.
- (d) *Taxes.*

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- (1) *Sales tax.* The property owner of the rental housing unit or their agent shall be registered with the Maryland State Comptroller for the reporting, collecting and payment of the state's sales and use tax.
 - (2) *All taxes.* The property owner of the rental housing unit shall certify that all federal, state, county and municipal taxes relating to the rental of property are paid current prior to the issuance of the applicable license and renewal thereof.
- (e) *Inspection of rental housing.*
- (1) *Inspection prior to issuance of license.* An inspection of the property for which application has been made may be conducted prior to the issuance of a license upon recommendation of any reviewing agency. If an inspection indicates that a rental housing unit is not in compliance with all applicable laws as required, the license application may be denied until remedial action, as determined by the department who issued the violation, remedies the violation.
 - (2) *Inspections during term of license.*
 - a. Upon recommendation of any appropriate Ocean City, County or State agency, there shall be an inspection of a rental housing unit when there exists the belief that a property is not in compliance with all applicable laws. The inspection shall be coordinated between Town departments. Inspection scope and procedures as set forth in chapter 10 (the International Property Maintenance Code, as amended), chapter 34, chapter 110, and this article, shall be followed.
 - b. Rental properties shall obtain and maintain all required and/or approved, on-site parking, as parking spots available for use by the renter or tenant(s). Parking spots shall not be used for any other purposes.
 - c. The owner may request any appropriate Ocean City, county or state agency to perform an inspection of a rental housing unit(s). A qualifying inspection will stand for one calendar year from date of inspection.
 - d. If an inspection indicates that a rental housing unit(s) is not in compliance with all applicable laws, the license may be subject to suspension, revocation or other remedial action as determined by the city manager in consultation with the division, or its designee. The city manager shall follow the procedures in section 14-38. A license may be suspended or revoked immediately by the city manager in consultation with the division, or its designee, if, in the opinion of city manager and the division, the health, safety or welfare of the person(s) in the rental housing unit, or if the general public are in imminent danger. Revocation or suspension of a license shall be in addition to and not in substitution for such other penalties as may be provided for in other laws or ordinances.
 - e. The property owner may appeal the suspension or revocation of the license as stated in section 14-38(d).
 - f. If a license is suspended or revoked, the rental housing unit cannot lawfully be used for a rental.
- (f) *Term of license.* Licenses shall be issued for a term of one year, pursuant to section 14-34 and renewable for additional one-year terms, subject to payment of the license fee, certification of tax payment, and compliance with all applicable laws.
- (g) *License fee.* An annual license fee for the license and effective January 1, 2025, an annual license fee for a supplementary short term rental license shall be set and paid in accordance with section 14-34.
- (h) *Display of license.* The license shall be displayed in the lobby, vestibule, rental office or other prominent public place on the premises during the entire period the license is in effect. In the case of condominium,

single-family and cooperative rental housing units, the property owner shall display the license within said rental housing unit.

(i) *Records.*

(1) The property owner of the rental housing unit shall:

- a. Make a record of all their rentals;
- b. Maintain said record of the rentals for at least five years;
- c. On request, make the records available to the division for inspection;
- d. Prominently display in the rental housing unit emergency contact information for the property owner or their authorized representative; and
- e. Include in all advertisements or listings, whether by print, electronic, audible or in any other form or substance designed to inform as to the availability of any property for rent, the valid rental license control number or business license control number of the rental housing unit.

(2) The property owner of the rental housing unit(s) shall not advertise the unit(s) or building as having more bedrooms than permitted on the unit's or the building's approved building permit plans.

(j) *Hosting platforms and property managers.*

(1) *Verification.*

- a. No hosting platform or property manager may facilitate booking transactions for rentals in the corporate limits of Ocean City without having verified that the license of the property owner is valid. Verification methods shall be as approved by the division.
- b. A hosting platform or property manager that has verified the validity of a license for a rental housing unit is not required to re-verify the validity of the license, unless:
 1. The license inspector has notified the hosting platform or property manager that the rental housing unit cannot lawfully be used for a rental; or
 2. The property owner has ceased to offer the rental housing unit through that hosting platform or property manager for a period of 12 months or more since the license was last verified.
- c. If the license inspector notifies a hosting platform or property manager that a rental housing unit cannot lawfully be used for a rental, the hosting platform or property manager may not advertise, list, or otherwise facilitate booking transactions for that rental housing unit until it receives subsequent confirmation from the license inspector that the rental housing unit can lawfully be provided.
- d. A hosting platform or property manager may not conduct business, to include but not limited to, collecting or receiving a fee in exchange for facilitating reservations, advertisements, or listings of a rental, for serving as a communication conduit between property owners and renters, or for otherwise facilitating booking transactions for rentals if the rental housing unit cannot lawfully be used for a residential rental.
- e. A hosting platform or property manager shall include in all advertisements or listings, whether by print, electronic, audible, or in any other form or substance designed to inform, as to the availability of any property for rent, the valid rental license control number or business license control number of the rental housing unit. A hosting platform or property manager that does not input the information to create the advertisement or listing, shall provide a mandatory field on

their online site in which the rental license control number or the business license control number is required to be entered. This field shall be displayed on/in the advertisement or listing.

(2) *Records.*

a. A hosting platform or property manager shall:

1. Make a record of all rental housing units advertised, listed, or otherwise facilitated by the hosting platform or property manager in the corporate limits of Ocean City;
2. Maintain the records for at least five years; and
3. In response to a lawful request, make the records available for inspection by the division.

b. These records must include:

1. The name and rental license control number or business license control number of the property owner who provided the rental housing unit;
2. The expiration date of the rental license or business license;
3. The street address of the rental housing unit;
4. The date of the booking transaction; and
5. The start and end dates of each rental.

(k) *Transfer of license.* Licenses issued hereunder shall not be transferable, and subsequent title holders of a rental housing unit shall be required to obtain a separate license; provided, however, that the continued rental by the subsequent property owner without a new license shall be deemed to be a consent to the terms and conditions hereunder, including the consent to inspection.

(l) *Rooms.* No room, attic, habitable attic or garage shall be converted into a bedroom without complying with all Ocean City requirements and permitting processes.

(Code 1972, § 61C-3; Code 1999, § 14-174; Ord. No. 2021-12, 5-17-2021; Ord. No. 2022-03, 3-21-2022; Ord. No. 2024-10, 6-17-2024; Ord. No. 2025-01, 2-3-2025)

Sec. 14-175. Violation.

(a) *Generally.* Any violation of this article by the property owner of the rental housing unit(s) shall be unlawful and is subject to a municipal infraction. Each day of violation shall be considered a separate violation. Prior to a municipal infraction being issued, the license inspector or other Ocean City employee, will provide the property owner written notice of the violation and allow the property owner ten days from the date of the letter to correct said violation.

(b) *Violation of an emergency order.* A rental housing license or a business license may be revoked by the city manager if the holder of the license violates or allows an occupant of the rental housing unit to violate an emergency order issued pursuant to chapter 18. Such revocation shall be processed in accordance with section 14-174(e)(2)(d).

(c) *Process not exclusive.* The issuance of an infraction to enforce this article does not preclude the town from pursuing any other civil remedy or enforcement action authorized by law.

(Ord. No. 2022-03, 3-21-2022; Ord. No. 2025-01, 2-3-2025)

Sec. 14-176. Enforcement.

(a) *Suspension of a license.* The city manager may suspend a business license in accordance with section 14-38. The city manager may suspend a rental license for a period of time not to exceed 30 days if the city manager determines that a licensee has committed or allowed to be committed any one or more of the following acts:

- (1) A licensee has breached any condition upon which their license was issued;
- (2) A licensee has failed to comply with the provisions of this chapter;
- (3) A licensee has failed to comply with chapters 10, 34 and 110 of the Code;
- (4) A licensee has engaged in an unlawful activity or nuisance related to the use of the property;
- (5) Any adverse effect on public health, safety and the general welfare; or
- (6) If there are three documented calls for service that require a response and/or citations issued to the property for different incidents in a twelve-month period year.

A call for service includes a response by law enforcement, the fire marshal's office and/or an official from the division or its designee. If there are three documented calls for service, that require a response, for disturbance of the peace, public drunkenness, drinking in public, harassment, loitering, public urination, lewd conduct, overcrowding, exceeding occupancy loads or noise, vandalism, parking nuisances, trespassing and/or citations issued to the property for different incidents on the property, or on the parking lot for the building or dwelling, in a twelve-month period year, the rental license is automatically suspended for up to 30 days. The owner or local agent must have been notified of the call for service. The twelve-month period starts from the first call for service or citation. The procedure for suspension of a rental license shall follow section 14-38 (c) and (d). This is limited to acts of the owner(s), and his renters, guests, and invitees.

(b) *Revocation of a license.* The city manager may revoke a business license in accordance with section 14-38. The city manager may revoke a rental license if the city manager determines that a licensee has committed any one or more of the following acts:

- (1) A license has been mistakenly or improperly issued, or issued contrary to law;
- (2) A license has been obtained through fraud, misrepresentation, a false or misleading statement, evasion or suppression of a material fact in the license application;
- (3) A cause of suspension under this section occurs and the license has been previously suspended within the preceding 12 months; or
- (4) There is any violation of the provisions of this chapter or any other ordinance of the town, or any statute of the state or any statute of the United States of America, other than motor vehicle violations, if the city manager determines the violation is contrary to the public health, safety and general welfare.

The procedure for revocation of a rental license shall follow section 14-38 (c) and (d).

(c) *Other.* The Mayor and City Council of Ocean City may initiate proceedings in the Circuit Court for Worcester County, Maryland, or any other court of competent jurisdiction to enforce the provisions of this article.

(Ord. No. 2025-01, 2-3-2025)

Sec. 14-177. Premises for habitation/rental housing units in R-1 single family residential district and MH mobile home residential district—Overnight occupancy.

The maximum occupancy in a dwelling in the R-1 single family residential district and the MH mobile home residential district being used as a premises for habitation/rental housing unit, is two persons per bedroom, plus

two additional persons, excluding children aged ten years old and younger, between the hours of 12:00 midnight and 7:00 a.m., provided that occupancy does not exceed the maximum allowed occupancy under chapter 10 and the dwelling's or building's allowed occupancy use for its provided fire protection features required under chapter 34.

(Ord. No. 2025-01, 2-3-2025)

Secs. 14-178—14-200. Reserved.

The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb*

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Abstract

We assess the impact of home-sharing on residential house prices and rents. Using a dataset of Airbnb listings from the entire United States and an instrumental variables estimation strategy, we show that Airbnb has a positive impact on house prices and rents. This effect is stronger in zipcodes with a lower share of owner-occupiers, consistent with non-owner-occupiers being more likely to reallocate their homes from the long- to the short-term rental market. At the median owner-occupancy rate zipcode, we find that a 1% increase in Airbnb listings leads to a 0.018% increase in rents and a 0.026% increase in house prices. Finally, we formally test whether the Airbnb effect is due to the reallocation of the housing supply. Consistent with this hypothesis, we find that, while the total supply of housing is not affected by the entry of Airbnb, Airbnb listings increase the supply of short-term rental units and decrease the supply of long-term rental units.

Keywords: Sharing economy, peer-to-peer markets, housing markets, Airbnb

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serial correlation in the dependent variable, which we account for by clustering standard errors at the zipcode level.

If, as we hypothesized, the effect of Airbnb is mainly due to the reallocation effect discussed above, then we would expect that Airbnb listings are associated with an increase in the short-term rental supply (measure (i)) and with a decrease in long-term rental supply (measures (i) and (ii)). Further, these changes should not be due to changes in the total housing supply. Thus, there should not be any association between Airbnb listings and such variable (measure (iv)).

Table 10 reports the results of these regressions. Column 1 shows that higher Airbnb listings lead to more homes that are vacant for seasonal or recreational use, which is consistent with an increase in the short-term rental stock. Columns 2 and 3 show that higher Airbnb listings lead to fewer homes that are vacant and for-rent and fewer homes that are renter occupied, which is consistent with a decrease in the long-term rental stock. As with the results on rents and prices, the effects are strongly moderated by the owner-occupancy rate of the zipcode with Airbnb having stronger effects in zipcodes with fewer owner-occupiers. This makes sense because, as we discussed in Section 3, non-owner-occupiers should be more likely than owner-occupiers to reallocate. Finally, there is no short-run effect of Airbnb on the total supply of housing, which is consistent with housing supply being very inelastic in the short-run (we did not test for long-run effects for reasons we discussed in Section 3).

The results reported in this section provide strong evidence that are consistent with our hypothesis that the effect of Airbnb is, at least in part, due to the reallocation of the housing stock from the long- to the short term rental market.

7 Discussion & Conclusion

The results presented in this paper suggest that the increased ability to home-share has led to increases in both rental rates and house prices. The increases in rental rates and house prices occur through at least two channels. In the first channel, home-sharing increases rental rates by inducing some landlords to switch from supplying the market for long-term rentals to supplying the market for short-term rentals. The increase in rental rates through this channel is then capitalized into house prices. In the second channel, home-sharing increases house prices directly by enabling

homeowners to generate income from excess housing capacity. This raises the value of owning relative to renting and therefore increases the price-to-rent ratio directly.

The results of this paper contribute to the debate surrounding home-sharing and its impact on the housing market. While Airbnb and proponents of the sharing economy argue that the platform is not responsible for higher house prices and rental rates,³² critics of home-sharing argue that Airbnb does raise housing costs for local residents. This paper provides evidence supporting the latter hypothesis, and it does so using the most comprehensive dataset about home-sharing in the US available to date.

Moreover, by showing that the effects of Airbnb are moderated by the owner-occupancy rate, this paper highlights the importance of the marginal homeowner in terms of reallocation (since owner-occupiers may be less likely to reallocate their housing to the permanent short-term rental stock). Thus, this paper demonstrates that the marginal propensity of homeowners to reallocate housing from the long- to the short-term rental market is a key elasticity determining the overall effect of home-sharing.

Turning to how cities and municipalities should deal with the steady increase in home-sharing, our view is that regulations on home-sharing should (at most) seek to limit the reallocation of housing stock from long-term rentals to short-term rentals without discouraging the use of home-sharing by owner-occupiers. One regulatory approach could be to only levy occupancy tax on home sharers who rent the entire home for an extended period of time or to require a proof of owner-occupancy in order to avoid paying occupancy tax.

Of course, this research does not come without limitations. First, we must recognize that our Airbnb data is imperfect: While we observe properties listed on Airbnb, we do not observe exact entry and exit of these properties. However, using Airbnb proprietary data, Farronato and Fradkin (2018) obtain very similar elasticity estimates to Zervas et al. (2017) who use a similar approach to ours to obtain Airbnb data and measure Airbnb supply. This, along with our extensive set of robustness checks, reassures us about the validity of our results.

Second, we need to keep in mind that in settings where the effects are likely to be heterogeneous, a 2SLS estimate does not represent the Average Treatment Effect (ATE) but instead a Local

³²For example, Airbnb disputed the findings of a recent report on the effects of the platform on the housing market in New York City. See: <https://www.citylab.com/equity/2018/03/what-airbnb-did-to-new-york-city/552749/>.