



**Village Council
Agenda for Work Session Meeting of October 22, 2024
Assembly Hall
395 Magnolia Road, Pinehurst, NC 28374
Pinehurst, North Carolina
4:30 PM**

1. Call to Order
2. General Business
 - A. Initial Council Input into the Strategic Operating Plan (SOP) Development
 - B. Discussion Regarding the Short-term Rental Regulations and Enforcement
3. Other Business
4. Motion to Adjourn

Vision: The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.
Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.
Values: Service, Initiative, Teamwork, and Improvement.



Initial Council Input into the Strategic Operating Plan (SOP) Development ADDITIONAL AGENDA DETAILS:

FROM: Doug Willardson, Village Manager
CC: Village Council;
DATE OF MEMO: 10/15/2024

MEMO DETAILS

We are excited to kickoff the strategic planning process for the FY 2026 Strategic Operating Plan (SOP). We will be brainstorming issues and projects for the upcoming SOP cycle. Staff will compile a list of topics from our discussions to be presented and analyzed at our retreat on December 3rd. Your input is crucial for shaping the SOP, so I encourage you to share your ideas and suggestions for areas of improvement within our organization. To guide your thinking, please consider our main goals:

- **Safeguard the Community**
- **Enhance Neighborhood Quality**
- **Support a Vibrant Business Community**
- **Improve Transportation Mobility**
- **Protect the Environment**
- **Encourage Active Living and Cultural Engagement**
- **Manage a High-Performing Organization**
- **Attract and Retain an Engaged Workforce**
- **Maintain a Healthy Financial Condition**

An example of the type of feedback we're looking for is the recent suggestion to revisit the parking deck option, which we can explore further at our retreat. As you reflect, you might consider questions such as: What key trends do you see on the horizon? What should be the top priorities for the Village over the next five years?

To jump start our conversation, if you want, you can send any ideas you have to me by Friday at noon. I'll summarize and organize anything I've received for inclusion in the agenda packet. This should help streamline our discussion and make it more productive next Tuesday. Thank you for your engagement in this important process!

ATTACHMENTS

1. FY26 SOP Input

Strategic Operating Plan Input

Safeguard the Community



Support High-Quality Neighborhoods, Development, and Appearance



Support a Thriving Business Community



Support and Promote Transportation Mobility and Connectivity



- Add limited streetlights

Preserve the Quality of the Environment



Promote Active Living and Cultural Opportunities



Manage a High-Performing Organization



- Ensure accuracy of the website
- Continue Village-wide printed newsletter

Attract and Retain an Engaged Workforce



Maintain a Healthy Financial Condition



- Ensure budget estimates are as accurate as possible



Discussion Regarding the Short-term Rental Regulations and Enforcement ADDITIONAL AGENDA DETAILS:

FROM: Doug Willardson, Village Manager
CC: Village Council;
DATE OF MEMO: 10/15/2024

MEMO DETAILS

A few months ago, John and Barb presented a report on nuisances, which led us to consider amendments to our noise and light nuisance ordinances. We aim to address these on the same night. Our discussion on parking enforcement is also related to this topic. Additionally, John and Barb proposed several recommendations concerning our short-term rental ordinance (22-15). Staff has explored various strategies to enhance compliance with this ordinance, organized into the following categories:

1. Increasing Awareness of the Ordinance

While short-term rentals (STRs) have received significant media attention, many individuals remain unclear about the rules and regulations. We suggest updating our STR FAQ page to include not only the ordinance details but also information on enforcement processes and complaint procedures.

To reach non-local owners, we could send a welcome letter to new property owners, including STR information. This letter could also be sent to newly constructed properties upon issuance of a certificate of occupancy. Additionally, we could feature updates in our newsletter or consider direct mail, particularly if we modify the ordinance to allow an extended application period for Non-Conforming Use Certificates (NCUC).

2. Small Revisions to the Ordinance

After two years of implementing the ordinance, we have identified potential revisions. We have received requests to extend the NCUC application period, which would benefit both the Village and property owners by clarifying their status under the 22-25 ordinance.

Furthermore, we might want to revise the occupancy limit language to specify two persons per bedroom plus two additional occupants, rather than only referencing adults. This clarification would help avoid confusion. Additionally, we could prohibit advertising properties that exceed the occupancy limit, as actual determination of occupancy of a residential unit by staff is nearly impossible.

3. Software for Tracking and Managing Compliance

We previously discussed the need for short-term rental management software. After evaluating several options and meeting with vendors, we have concluded that this software can provide insights on rental properties that our staff cannot feasibly track without incurring excessive labor costs. It is still unclear to what extent the software will aid in actual compliance with the regulations.

4. Tax Compliance

In North Carolina, hosts renting properties for 15 or more days per year must collect and remit specific taxes on their rental income and register with the NCDOR. They will receive a Sales and Use Tax Certificate of Registration, while local registration is required with the County.

Operators using platforms like Airbnb or VRBO are not required to register with the state or file lodging tax returns. However, if they transact directly with guests, they must remit lodging taxes

themselves. The applicable taxes include:

- 4.75% state sales tax
- 2.25% local sales tax (collected by the County and distributed based on population)
- 3% local occupancy tax (funding the Convention and Visitor's Bureau; Moore County collected over \$3 million in occupancy tax in FY21)

Moore County is currently exploring ways to enhance local occupancy tax collection, and we are collaborating where possible. Discussions with the County Tax Administrator indicate low voluntary compliance, and we will continue to engage with the County to improve this situation.

Thank you for your attention to these important matters.

ATTACHMENTS

None