

**KEWEENAW COUNTY PLANNING COMMISSION
STAFF REPORT
PROPOSED SHORT-TERM RENTAL TEXT AMENDMENT**

To:	Keweenaw County Planning Commission
From:	Keweenaw County Zoning Administrator
Hearing Date:	October 5, 2026 - 4:00 p.m.
Location:	Keweenaw County Courthouse, 5095 4th Street, Eagle River, Michigan
Request:	County-initiated text amendment to the Keweenaw County Zoning Ordinance (KCZO) establishing an annual administrative permit framework for Short-Term Rentals
Ordinance Review:	KCZO Article XX - Amendments, including §20.7 Findings of Fact Required
Geographic Effect:	County zoning jurisdiction; this is a text amendment and does not rezone any individual parcel

Staff Summary

The proposed amendment would replace the current Conditional Use framework for Short-Term Rentals (STRs) with a uniform annual administrative permit process. The amendment treats STR activity as a distinct land use occurring within a lawful dwelling and establishes objective standards for annual permitting, occupancy, parking, local contact information, refuse management, health and safety compliance, enforcement, appeals, transition of existing operators, and related administrative provisions.

The amendment is designed as a zoning and land-use regulation under the Michigan Zoning Enabling Act, not as a separate business-licensing program. Enforcement of STR violations remains integrated with the existing KCZO enforcement provisions in Article XXI, while suspension or revocation of the annual STR permit is available as a permit-specific administrative remedy.

This report evaluates the proposed text amendment against every factor expressly identified in KCZO §20.7.B. Several factors are written primarily for parcel-specific rezonings. Because this proposal is a countywide text amendment, those factors are addressed as not directly applicable where appropriate, rather than omitted. KCZO §20.8 requires the Planning Commission to make written findings and to affirmatively resolve the §20.7 factors before forwarding a recommendation to the Board of Commissioners.

Existing Regulation and Proposed Change

The current KCZO regulates Short-Term Rentals as a Conditional Use under §10.12.17. The proposed amendment changes the regulatory method rather than eliminating zoning oversight. It creates a separate annual administrative permit based on objective standards and removes STRs from the Conditional Use process.

- establishes Article XVII as the principal STR regulatory article;
- defines an Annual Short-Term Rental Permit as a ministerial administrative permit based on objective ordinance standards;
- provides that STRs are not Special Land Uses or Conditional Uses and are not subject to discretionary site-plan or similar review solely because of STR operation;
- requires annual permitting and provides that the permit does not run with the land and terminates upon transfer of ownership;
- establishes operational standards addressing occupancy, parking, a Local Contact Person, refuse, septic capacity where applicable, and applicable health and safety requirements;

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- uses Article XXI for ordinary zoning enforcement and allows documented violations of objective standards to support suspension or revocation of the annual STR permit;
- provides an appeal to the Zoning Board of Appeals for administrative determinations;
- provides a transition period for existing operators; and
- preserves the ability to consider future STR density or geographic allocation standards through a later ordinance amendment and public-hearing process rather than by administrative order.

Historical Treatment of Tourist Homes, Vacation Rentals, and Short-Term Rentals

The County's regulation and administration of transient residential rental uses has evolved over time. Earlier KCZO terminology included 'tourist home,' while later County practice and ordinance language increasingly used 'vacation rental' and then 'short-term rental.' The current 2024 KCZO expressly states that short-term rentals are commonly referred to as vacation rentals and that the terms 'overnight rental,' 'nightly rental,' and 'vacation rental' are interchangeable with short-term rental for administration and enforcement.

The historical permit records reviewed for this report demonstrate that the administrative process also evolved. Earlier permits were commonly entered under the permit-software category 'VACATION RENTAL.' Those records did not reflect one uniform permitting method. Some permits contained expiration dates while others did not. Some contained express references to §10.12.17 or property-specific conditions, while others contained little or no STR-specific stipulation. The records also commonly show a \$0.00 zoning permit fee or no separately collected STR fee.

The earlier 'VACATION RENTAL' category was also used for more than a single existing dwelling operating as an STR. One 2023 permit issued under that category authorized the addition of six duplex cabins to an existing resort facility and imposed a parking requirement of one 10-foot by 20-foot space per sleeping unit. That record illustrates that the administrative category was not always limited to the same type of transient residential use that the proposed Article XVII now defines as an STR.

Beginning in 2025, County records show a more formalized administrative approach. Permits began to be entered under the category 'SHORT TERM RENTAL,' were processed as Conditional Use permits, generally required compliance with KCZO §10.12.17, and consistently reflected a \$300 Conditional Use fee. This represented a significant improvement in consistency.

Even within the later STR permit records, however, some inconsistencies remained. The first 2025 STR permit reviewed did not contain an expiration date, while permits issued shortly thereafter generally contained one-year expiration dates. At least one later permit again lacked an expiration date. Wording used to describe the approval and to incorporate §10.12.17 varied from permit to permit. One permit record contained an apparent inconsistency between the zoning district shown in the database and the zoning district typed into the permit description. In another instance, two separately named rental units were authorized at the same address and parcel, while the permit record itself did not clearly explain the dwelling-unit configuration.

These differences do not, by themselves, establish that any prior permit was unlawfully issued. They do demonstrate that the County has had to administer an evolving land use through permit categories and procedures that were not always designed to produce a standardized recurring STR record. The proposed annual permit is intended to place the principal administrative rules directly in the Ordinance itself so that permit duration, renewal, fee structure, ownership, property identification, objective operating standards, and enforcement are consistently applied regardless of the individual permit record or administrator.

Procedural Status

Notice of the proposed text amendment and the addendum addressing existing STR approvals were posted at the Keweenaw County Court House and at the Keweenaw County website on September 1, 2026, and published in the Daily Mining Gazette on September 4, 2026. A copy of the proposal has been posted on the county website and a hard copy has been made available in the Keweenaw County Zoning office for public review. A Planning Commission public hearing is scheduled for October 5, 2026 at 4:00 p.m.

Written public comments received during the review period are being maintained in a separate Public Review Comment Log. Staff recommends that the original comments, the comment log, this report, the proposed

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amendment, the addendum, the notice and affidavit of publication, historical permit examples, and the Planning Commission's written findings be retained as part of the amendment record.

Under KCZO §20.6, the Planning Commission must conduct at least one public hearing on an amendment and follow the notice and hearing procedures incorporated by the Ordinance. Under §20.8, after the hearing the Planning Commission forwards the public-comment summary, written findings, proposed amendment, and related material to the Board of Commissioners if the required findings are affirmatively resolved.

KCZO §20.7 Findings of Fact

KCZO §20.7.A requires the Planning Commission to identify and evaluate all factors relevant to a zoning amendment and report its findings in full with its recommendation. Section 20.7.B lists eleven factors that must be expressly considered.

Finding 1. Changed conditions - What identifiable conditions related to the petition have changed which justify the proposed change?

The County's administrative history demonstrates a progressive change in how transient residential rentals have been identified and permitted. Earlier County records used the terms tourist home and vacation rental and processed many approvals through ordinary zoning-permit records, often with no separately collected STR fee, variable expiration dates, and inconsistent permit language. By 2025, the County had shifted to a specific Short Term Rental category, a \$300 Conditional Use fee, and direct references to §10.12.17, but the records still show differences in expiration dates, terminology and data-entry practices. At the same time, STR operation remains a recurring land-use activity in which occupancy, parking, ownership, contact information and wastewater capacity may change over time. These conditions support moving from an evolving administrative practice to a clearly defined annual permit established directly in the Ordinance.

Staff finding: Identifiable administrative and planning conditions support reconsideration of the existing Conditional Use model. The proposed annual permit structure would replace historically variable administrative practices with a uniform, objective and recurring review process.

Finding 2. Error in judgment, procedure or administration - Was an error made in the original Ordinance which justifies the change?

Staff does not identify the earlier vacation-rental permits, the 2017 STR amendment, or the 2024 KCZO as unlawful or necessarily erroneous. The permit records instead show that the Ordinance and administrative procedures allowed differing practices and interpretations over time. Earlier permits varied as to duration, wording, fee treatment and the degree to which §10.12.17 was reflected directly on the permit. Later STR Conditional Use permits were more standardized, but still contained some inconsistent expiration and record-entry practices. The proposed amendment is therefore best characterized as an administrative and policy refinement that places the recurring STR permit rules in one dedicated article and reduces the need for individual interpretation of general permit procedures.

Staff finding: No finding of legal error in the prior Ordinance is necessary to support the amendment. The historical record supports a finding that the existing framework can be clarified and administered more consistently through the proposed Article XVII and conforming amendments.

Finding 3. Precedent - What precedents and possible effects of precedent may result from approval or denial?

Approval would establish that the County may regulate a recurring land-use activity through a dedicated article and objective annual administrative permit where the Planning Commission and Board determine that discretionary review is not necessary. The amendment is carefully drafted to classify STRs separately and to state that the STR framework should not be used to classify unrelated uses by analogy. Approval therefore need not establish that other Conditional or Special Land Uses are entitled to annual ministerial permitting. Denial would retain the existing Conditional Use system and the current individualized permit framework.

Staff finding: The proposed amendment contains sufficient use-specific language to limit unintended precedent. The Planning Commission can distinguish STRs from other land uses based on the express text and purpose of Article XVII.

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Finding 4. Public services and facilities - What is the impact on the ability of the County and other governmental agencies to provide adequate public services, facilities or future programs?

The amendment does not authorize a new physical development type or remove generally applicable requirements of other agencies. It retains standards concerning septic capacity where applicable, parking, local contact availability, refuse management, and compliance with applicable fire, health and safety regulations. The annual permit process may improve the County's ability to maintain current owner, property, occupancy and contact information. The proposal also preserves ordinary KCZO enforcement through Article XXI rather than creating a separate STR-only enforcement system.

Staff finding: No material adverse impact on the County's ability to provide public services is identified from the text amendment itself. Annual administrative review may improve coordination and recordkeeping.

Finding 5. Environmental conditions and surrounding property value - Does the amendment adversely affect environmental conditions or the value of surrounding property?

This is a countywide text amendment and does not approve construction, site disturbance or a particular STR on a particular parcel. STR operation remains confined to a lawful dwelling and remains subject to applicable zoning and other legal requirements. The proposed occupancy standard is tied to bedroom count and, where applicable, septic capacity; refuse and parking standards are also retained. These provisions are intended to address land-use impacts that can affect neighboring property and environmental conditions.

Staff finding: No site-specific evidence is presently before staff demonstrating that the text amendment itself will adversely affect environmental conditions or surrounding property values. The amendment retains objective safeguards directed to common STR land-use impacts.

Finding 6. Significant negative environmental impacts - Would the amendment reasonably cause drainage, wastewater, water-quality, natural-resource or similar impacts?

The proposal does not authorize grading, shoreline alteration, new wastewater systems, wetland disturbance, resource extraction or new structures. Existing laws and permit requirements governing those activities remain applicable. Of particular relevance to STR operation, the proposed Article XVII limits occupancy by reference to septic capacity where applicable and requires compliance with applicable health and safety requirements. Because the amendment regulates use of lawful dwellings rather than approving new development, the listed §20.7.B.6 impacts are principally site-specific matters that remain governed by existing zoning, health, environmental and construction requirements.

Staff finding: No significant negative environmental impact is inherent in the proposed text amendment. Wastewater capacity is expressly addressed, and other environmental requirements remain in force.

Finding 7. Consistency with the adopted Comprehensive Plan - Does the amendment generally comply with the policies and uses proposed in the adopted plan?

The County's adopted planning framework emphasizes accommodating future growth while protecting the environmental and community qualities that make Keweenaw County a desirable place to live and visit. The STR amendment likewise seeks to accommodate visitor lodging within lawful dwellings while establishing uniform standards addressing occupancy, parking, wastewater capacity, public safety and neighborhood compatibility. The pending 2026 draft Master Plan is not treated here as the adopted plan; however, the ongoing planning process may be considered as background evidence of current planning conditions.

Staff finding: The proposed amendment is generally consistent with the broad planning objective of accommodating use and growth while protecting community character, public health and natural resources. Staff identifies no direct conflict with the adopted Comprehensive Plan.

Finding 8. Compatibility of all uses allowed under the proposed rezoning with surrounding zones and uses.

This factor is written primarily for a map rezoning. The present request does not change the zoning classification of any parcel and does not introduce a new district containing a range of additional uses. Instead, it establishes uniform

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standards for one defined use within the County zoning jurisdiction. Compatibility is addressed through operational standards including occupancy, on-site parking, local contact, refuse, health and safety compliance, and enforcement.

Staff finding: Because no parcel is being rezoned, the 'all uses allowed under the proposed rezoning' inquiry is not directly applicable. As applied to this text amendment, the STR use remains subject to standards intended to protect compatibility.

Finding 9. Whether uses allowed under the proposed rezoning would be equally or better suited to the area than uses allowed under current zoning.

This factor is also directed primarily to map rezonings. The amendment does not replace one zoning district with another or displace the uses currently permitted on particular land. A lawful dwelling remains a dwelling; Article XVII regulates the STR activity occurring within it. The amendment changes the review mechanism from Conditional Use approval to an annual objective permit system.

Staff finding: No district use comparison is required because no land is being rezoned. The proposed regulatory method is reasonably suited to countywide administration of STRs while preserving underlying district regulations.

Finding 10. Reasonable economic use of specific property under current zoning.

No specific property is the subject of this text amendment. The amendment neither depends upon a claim that a particular parcel lacks reasonable economic use nor grants relief to an individual property owner. It applies prospectively and uniformly to STR permitting within the County zoning jurisdiction, subject to the text of Article XVII and applicable transition provisions.

Staff finding: Criterion 10 is not directly applicable because no specific property is involved. The amendment does not rest on economic hardship or inability to use a particular parcel. Criterion 10 can therefore be affirmatively resolved as not applicable to this countywide text amendment.

Finding 11. Alternative procedure - Is a Variance, Special Land Use, Planned Unit Development or another procedure more appropriate than a rezoning?

The proposal is itself a text amendment intended to establish the appropriate countywide regulatory procedure for STRs. A variance cannot amend generally applicable ordinance policy and is property-specific. A Special Land Use or Conditional Use process would continue the individualized discretionary framework that the proposed amendment is intended to replace. A Planned Unit Development is likewise a project-specific development mechanism and is not an appropriate substitute for countywide STR standards. Because the proposal changes the rules applicable to the use generally, an ordinance text amendment is the appropriate mechanism.

Staff finding: No alternative property-specific zoning procedure can accomplish the countywide policy and administrative changes proposed. A text amendment is the appropriate procedure.

Additional Planning and Administrative Considerations

A. Existing STR approvals and transition

The historical permit records make the transition question especially important because existing STR operations may be associated with different generations of County approvals. For administrative purposes, the County should distinguish among: (1) older tourist-home or vacation-rental zoning permits; (2) later STR Conditional Use permits issued under §10.12.17; and (3) STRs that may have operated without a County STR-related permit. These categories should not automatically be treated as legally identical.

The posted addendum addresses STRs that previously received a Conditional Use Permit, Special Land Use approval, or other County zoning approval. Older permits and possible vested-rights questions may require case-specific legal analysis.

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B. Standardization of the future annual permit

The historical records suggest that the future administrative permit should not depend on free-form permit descriptions or manually entered conditions. The ordinance and companion permit should identify, at minimum, the owner, parcel number, zoning district, specific dwelling or dwelling unit, bedroom count, approved maximum occupancy, required parking, Local Contact Person, permit effective date, expiration date, fee status, and applicable operational standards. A standardized annual permit will create a clearer record for applicants, neighbors, staff, enforcement officials and future administrators.

C. Enforcement

The proposed amendment appropriately integrates STR violations with Article XXI rather than establishing a separate STR-only penalty system. This maintains the STR program as part of the KCZO land-use framework. Permit suspension or revocation remains available as an administrative consequence tied specifically to the Annual STR Permit, based on documented violations of objective standards.

D. Public comments

Public comments should be evaluated against the purposes of the amendment and the §20.7 findings. Staff recommends distinguishing among comments that identify a necessary zoning standard, comments better addressed through the annual permit form or administrative procedure, educational recommendations that need not become enforceable zoning standards, and matters outside County zoning authority.

E. Text amendment versus future density limits

The current proposal creates the annual permit framework. It does not itself establish a numerical countywide cap or geographic density limit. The draft reserves that policy question for a future ordinance amendment with its own public-hearing process. This separation avoids allowing density policy to be established administratively and preserves legislative review.

Staff Conclusion

Based on the proposed text, the existing KCZO, the County's historical permit records, the adopted planning framework, the administrative purpose of the amendment, and the record available before the public hearing, staff finds that the eleven factors in KCZO §20.7.B can be affirmatively resolved for purposes of a countywide text amendment. Factors 8, 9 and 10 are primarily written for parcel-specific rezonings and are not directly applicable; nevertheless, each has been expressly considered and resolved above.

The permit history is relevant because it demonstrates a long-running evolution from tourist-home and vacation-rental terminology to a specific STR Conditional Use process. The later system improved consistency, but the records continued to vary in duration, wording and data-entry practices. The proposed annual permit would place the principal administrative requirements directly in the Ordinance and create a more uniform countywide record.

The proposed amendment provides a coherent countywide framework for STR regulation as a land use, retains objective operational standards, preserves the existing KCZO enforcement structure, establishes annual administrative verification, and creates a clearer distinction between STR permitting and discretionary land-use approvals.

Staff Recommendation

Recommended action after the public hearing: Staff recommends that the Planning Commission receive and close the public hearing when appropriate; review all written and oral comments; make any revisions it determines are warranted; adopt written findings addressing KCZO §20.7; and recommend approval of the proposed Short-Term Rental text amendment to the Keweenaw County Board of Commissioners, subject to final review of transition language and any substantive revisions by County legal counsel.

If the Planning Commission determines that public comment warrants material changes to the proposed text, staff recommends that the Commission identify those changes expressly in its motion and ensure that the final text forwarded to the Board is consistent with the findings adopted by the Commission.

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Suggested Planning Commission Findings Motion

The following is offered as a working motion and may be revised following the public hearing:

*I move that the Keweenaw County Planning Commission adopt the findings of fact contained in the October 5, 2026 Zoning Administrator Staff Report, as supplemented by the public-hearing record and any findings stated on the record this evening; find that the criteria of KCZO §20.7 **have (have not)** been affirmatively resolved for the proposed Short-Term Rental text amendment; and recommend **[approval / approval with the revisions identified in the record/ denial]** of the proposed amendment to the Keweenaw County Board of Commissioners.*

Record Materials

- Proposed KCZO Short-Term Rental Text Amendment posted for public review;
- Addendum concerning existing STR Conditional Use/Special Land Use or other prior zoning approvals;
- Historical County permit records categorized as Vacation Rental;
- County permit records categorized as Short Term Rental / Conditional Use;
- Public Hearing Notice and affidavit/proof of publication;
- STR Amendment Public Review Comment Log and original written comments;
- October 5, 2026 public-hearing testimony and Planning Commission minutes;
- KCZO Article XX, particularly §§20.6, 20.7, 20.8 and 20.9;
- Michigan Zoning Enabling Act, PA 110 of 2006, as amended; and
- Keweenaw County adopted Land Use Plan / Comprehensive Plan, with the 2026 draft Master Plan treated as planning background rather than the adopted plan.

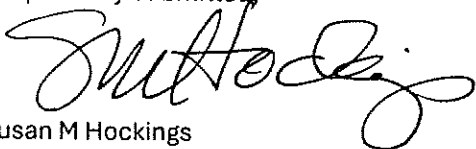
Source and Legal Reference Notes

Historical permit records reviewed for this report include County permits entered under the categories 'VACATION RENTAL' and 'SHORT TERM RENTAL.' The records show administrative differences in permit terminology, duration, stipulations, fees and use descriptions. These records are used here to document administrative history, not to make a legal determination concerning the validity or vested status of any individual permit.

KCZO Article XX requires the Planning Commission to expressly consider the amendment factors in §20.7 and to adopt written findings before forwarding a recommendation. Final language affecting prior approvals, nonconforming uses, vested rights, or transition of existing operations should be reviewed by County legal counsel.

This staff report is intended to support the Planning Commission's zoning record and findings. It is not a substitute for legal advice.

Respectfully Submitted,



Susan M Hockings

Keweenaw County Zoning Administrator

September 10, 2026