

Tara L. Sorenson's Appeal of the Notice of Violation and Order to Abate

August 27, 2021

On July 16, 2021, Appellant Tara L. Sorenson received an email (not a formal Notice and Order to Abate) from the Land Use Review Division ("the Division") denying her short-term rental license renewal for the property at 1950 and 1952 Woodburn Street ("the property"). The correspondence indicated that to appeal the denial, a formal written appeal was required by July 26, 2021. On August 19, 2021, Ms. Sorenson's appeal was denied by the City Planning Commission. Please consider this Ms. Sorenson's formal appeal of the Division's decision and the City Planning Commission's denial of her appeal.

The July 16, 2021 correspondence from the Division indicated that the renewal requests were denied as "the titles of these properties transferred in February 2020 and December 2020 from 1952 Woodburn LLC to Tara L Sorensen" and that such transfers results in the expiration of the Short Term Rental ("STR") permit pursuant to City Code Section 7.5.1702.B. That particular provision states:

The short-term rental unit permit does not run with the property, but is issued to the specific owner of the property. The permit shall expire upon sale or transfer of the property. The permit shall not be transferred or assigned to another individual, person, entity, or address but may be managed by a third party on behalf of the owner.

For the reasons discussed herein, Ms. Sorenson hereby formally appeals that decision.

Please find below a summary of relevant facts:

- a. The property located at 1950 and 1952 Woodburn St. was purchased by Tara Sorenson on or about May 14, 2019.
- b. To accomplish the purchase, pursuant to what's known as a "Reverse 1031 Exchange", the property was purchased by an LLC (Highlands Properties 2919 LLC) and then subsequently transferred to Ms. Sorenson as an individual.
- c. On or about June 19, 2019, Ms. Sorenson contacted the Planning & Community Development Department ("the Department") for the purpose of obtaining STR permits for property (containing two units). At that time, title to the property was still held by Highlands Properties 2919 LLC.
- d. When discussing the permit application process, Tara disclosed to the Department that the properties were in an LLC (Highlands Properties 2919 LLC) and that they would subsequently be managed by 1952 Woodburn LLC. At that time, the Department representative indicated that Ms. Sorenson should apply for the permit in her own name, as opposed to Highlands Properties 2919 LLC or 1952 Woodburn LLC. Ms. Sorenson was informed that moving the property in and out of an LLC would not present an issue.
- e. The Department issued STR permits to Ms. Sorenson for the property in 2019.

- f. Intending on having the property managed by a third-party, title of the property was then changed from Ms. Sorenson individually to 1952 Woodburn LLC so that 1952 Woodburn LLC could serve as the principal managing entity of the property.
- g. 1952 Woodburn LLC is a single-member entity owned and controlled by Ms. Sorenson.
- h. Ms. Sorenson applied for a renewal of her permits in 2020. Renewal of the permits was granted on July 10, 2020.
- i. In December 2020, Ms. Sorenson refinanced the property. Pursuant to the terms of the financial institution, Ms. Sorenson was required to change title of the property from 1952 Woodburn LLC to Ms. Sorenson individually.
- j. Throughout this process, the relevant STR permits were never transferred or assigned to another individual, person, or entity, or address.
- k. At all relevant times, Ms. Sorenson retained full authority and control over the property.

Ms. Sorenson appeals the denial of her renewal request by the Division on account of such denial being (2) against the express intent of the ordinance, (3) unreasonable, (4) erroneous, and (5) contrary to law. *See City Code Section 7.5.906.A.4.*

Ms. Sorenson submits that the intended purpose of City Code Section 7.5.1702.B is to ensure that legal control over the properties being benefited by a STR permit does not transfer away from the individual or entity to whom the permit was initially granted. Such circumstance would have the effect of severing the relationship between the applicant/permit holder and the City of Colorado Springs in a manner that would make it more difficult to ensure compliance with applicable STR regulations. Ms. Sorenson's actions do not contravene the intended purpose. Instead, Ms. Sorenson simply engaged in financial and legal maneuvering for the purpose of (1) ensuring proper management of the property, (2) limiting her personal liability and (3) ensuring the continued affordability of the property.

Furthermore, Ms. Sorenson, by changing listed ownership of the property to 1952 Woodburn LLC was simply complying City Code Section 7.5.906.A.4 which allows for the property to be managed by a third party on behalf of the owner. In this circumstance, the "third party" is the LLC which is exclusively owned and controlled by Ms. Sorenson. For all intents and purposes, Ms. Sorenson retained full legal ownership and control of the property throughout all relevant time periods.

Through these actions there is no appreciable or conceivable detriment to the community or to the Division. Conversely, the position taken by the Division is adverse to the economic prosperity of the City of Colorado Springs and limits the availability of affordable short-term rentals to Colorado Springs citizens and visitors.

The Agency's written statement in this matter indicates that it has already created non-codified exceptions to 7.5.1702(B): "When applying the Code, Staff remains consistent in upholding the policy that ANY transfer of ownership results in the expiration of the STR permit automatically with the exception of name changes due to marriage and/or divorce." This exception is not codified or otherwise written outside of the Division's written statement made pursuant to this appellate process.

The reason why such exception was created, Ms. Sorenson submits, is because a literal reading of the Code leads to absurd results. For example, if Ms. Sorenson were to marry and retitle the property into the name of both her and her spouse, the Division's position, if followed, would result in the expiration of her STR permits. This is certainly not the intent behind City Code Section 7.5.1702.B. For the purpose of City Code Section 7.5.1702.B, the change of ownership from Ms. Sorenson individually to an entity owned and controlled by Ms. Sorenson is tantamount to a legal name change.

For these reasons and others, Ms. Tara Sorenson respectfully requests that the denial of her STR renewal application be overturned.

Thank you for your time and consideration,

Sincerely,

A handwritten signature in cursive script that reads "Tara Sorenson". The signature is written in black ink and includes a long, horizontal flourish at the end.

Tara Sorenson



THE PLANNING & DEVELOPMENT DEPARTMENT APPEAL TO CITY COUNCIL

Complete this form if you are appealing City Planning Commission's, Downtown Review Board's or the Historic Preservation Board's decision to City Council.

CITY CLERK'S OFFICE

2021 AUG 30 A 8:30

APPELLANT CONTACT INFORMATION:

Appellants Name: Tara Sorensen Telephone: 719-439-4316
Address: 151620 Wildwind Terrace City: Colorado Springs
State: CO Zip Code: 80908 E-mail: Sorensot79@gmail.com

PROJECT INFORMATION:

Project Name: STR-6779 and STR-6780
Site Address: 1952 and 1950 Woodburn St. Colorado Springs, CO 80906
Type of Application being appealed: Denial of Short term Rental Renewal Application
Include all file numbers associated with application: _____
Project Planner's Name: Carli Hiben
Hearing Date: _____ Item Number on Agenda: _____

YOUR APPEAL SUBMITTAL SHOULD INCLUDE:

1. Completed Application
2. \$176 check payable to the City of Colorado Springs
3. Appeal Statement
 - See page 2 for appeal statement requirements. Your appeal statement should include the criteria listed under "Option 1" or "Option 2".

Submit all 3 items above to the City Clerk's office (30 S Nevada, Suite 101, Colorado Springs, CO 80903). Appeals are accepted for 10 days after a decision has been made. Submittals must be received no later than 5pm on the due date of the appeal. Incomplete submittals, submittals received after 5pm or outside of the 10 day window will not be accepted. If the due date for the submittal falls on a weekend or federal holiday, the deadline is extended to the following business day.

If you would like additional assistance with this application, please contact the Land Use Review offices at 385-5905.

APPELLANT AUTHORIZATION:

The signature(s) below certifies that I (we) is(are) the authorized appellant and that the information provided on this form is in all respects true and accurate to the best of my (our) knowledge and belief. I (we) familiarized myself (ourselves) with the rules, regulations and procedures with respect to preparing and filing this petition. I agree that if this request is approved, it is issued on the representations made in this submittal, and any approval or subsequently issued building permit(s) or other type of permit(s) may be revoked without notice if there is a breach of representations or conditions of approval.

Tara Loren
Signature of Appellant

27 Aug 2021
Date

THE APPEAL STATEMENT SHOULD INCLUDE THE FOLLOWING

OPTION 1: If you are appealing a decision made by City Planning Commission, Downtown Review Board, or the Historic Preservation Board that was **originally** an administrative decision the following should be included in your appeal statement:

1. Verbiage that includes justification of City Code 7.5.906.A.4
 - i. Identify the explicit ordinance provisions which are in dispute.
 - ii. Show that the administrative decision is incorrect because of one or more of the following:
 1. It was against the express language of this zoning ordinance, or
 2. It was against the express intent of this zoning ordinance, or
 3. It is unreasonable, or
 4. It is erroneous, or
 5. It is clearly contrary to law.
 - iii. Identify the benefits and adverse impacts created by the decision, describe the distribution of the benefits and impacts between the community and the appellant, and show that the burdens placed on the appellant outweigh the benefits accrued by the community.

OPTION 2: If the appeal is an appeal of a City Planning Commission, Form Based Zoning Downtown Review Board, or Historic Preservation Board decision that was **not made administratively initially**, the appeal statement must identify the explicit ordinance provision(s) which are in dispute and provide justification to indicate how these sections were not met, see City Code 7.5.906.B. For example if this is an appeal of a development plan, the development plan review criteria must be reviewed.

CITY AUTHORIZATION:

Payment: \$ _____

Date Application Accepted: _____

Receipt No: _____

Appeal Statement: _____

Intake Staff: _____

Completed Form: _____

Assigned to: _____