



AGENDA MEMORANDUM

City Manager

City Council Regular Meeting Date: December 16, 2025

To: City Council
From: Paula McMichael, AICP, Planning Director
Dana A. Souza, City Manager
Date: December 9, 2025

SUBJECT: Discussion of a request from Sundial Resort to allow the sale of Beach Club Day Passes based on parking rather than limiting the sale based on the number of dwelling units unavailable to rent due to disaster-related damage.

BACKGROUND:

During the 'Future Agenda Items' portion of the July 16, 2024, City Council meeting, City Councilmembers discussed a proposal from Sundial resort General Manager, Becky Miller, to sell day passes to the beach. As discussed on July 16, 2024, the sale of day memberships and fees for daily use of the beach is defined as the use "beach club" in the Sanibel Code and is specifically prohibited as a principal or accessory use on Sanibel. The definition and specific prohibition were adopted in 2006 and that ordinance is provided as backup. The ordinance states the use was never permitted on Sanibel and identifies as reasons for the prohibition: the carrying capacity of the beach, preservation of the residential character of neighborhoods, and control of the intensity of use in residential development, including short-term occupancy developments. Click here to refer to [Section 126-35](#) Recreation Facilities of the Sanibel LDC.

Following discussion and public comment concerning the Sundial proposal, on July 16, 2024, the City Council directed staff to draft a Resolution for the City Council to consider at the July 30, 2024, City Council meeting.

At the July 30, 2024, special City Council meeting, the City Council approved Resolution 24-043 to establish a temporary use permit for beach club day passes. The agenda memorandum and backup material from city council's meeting of July 30, 2024, are included as attachments to this agenda item. The resolution includes several conditions, such as making the temporary use permit available only to those resort housing properties licensed as a hotel or motel by the Florida Department of Business and Professional Regulation (DBPR) and only to replace resort housing dwelling units unavailable for short-term rental while the rental units were repaired. The Sundial resort is the only business that has applied for the temporary use permit to sell beach club day passes.

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Following the City Council's approval of Resolution 24-043 on July 30, 2024, and based on the number of Sundial rental units that were under construction and the number of available parking spaces, the Sundial was able to sell a maximum of 158 day passes/per day. As rental units have been repaired, and in accordance with the approved Resolution, the number of day passes the Sundial are allowed to sell is reduced. Section 2.6 of Resolution 25-014 states, "*Sales of day passes per resort shall be limited to the lesser of the following: (a) two passes per available on-site parking space; or (b) two and a half times the number of resort housing dwelling units currently unavailable to be rented due to storm related damage (the latter being used as an estimated typical occupancy of 2.5 persons/unit).*"

The table below illustrates the maximum number of day beach passes (Daycation passes) the Sundial could sell based on the approved City Council Resolution and the Business Plan the Sundial submitted to the City, at the inception of the program.

Available Parking Spaces	Max Daycation Passes Based on Parking	Units Capacity	Units Under Repair	Max Daycation Passes Based on Units Available	Max Daycation Passes To Be Sold (Lesser of Options)
134	268	212	212	530	268

On March 18, 2025, the City Council considered a request from Sundial to extend the temporary program and approved Resolution 25-014, extending the temporary use permits for beach club day passes to those resort housing properties within the resort housing district that are licensed as a hotel or motel by the Florida Department of Business and Professional Regulation (DBPR) to March 31, 2026, and only to replace resort housing dwelling units unavailable for short-term rental due to storm-related damage. The Sundial resort continues to be the only business that has applied for the temporary use permit for beach club day passes. The agenda memorandum and backup material from city council's meeting of March 18, 2025, are included as attachments to the agenda item.

The table below illustrates the maximum number of day beach passes (Daycation passes) the Sundial could sell based on the approved City Council Resolution as of March 3, 2025.

Available Parking Spaces	Max Daycation Passes Based on Parking	Units Capacity	Units Under Repair	Max Daycation Passes Based on Units Available	Max Daycation Passes To Be Sold (Lesser of Options)
158	316	216	109	273	273

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As of today, the Sundial reports that 25 units remain under repair. Based on the governing documents of the Sundial, construction on these units cannot re-commence until May 2026, and the Sundial estimates construction should be complete on those units by the end of July 2026.

With 25 units unavailable for rental, the table below illustrates the maximum number of day beach passes (Daycation passes) the Sundial could sell today (and likely through the end of July 2026). Please note that the number of parking spaces have increased as the Sundial has added 8 parking spaces (explanation provided in paragraph below). Also note that the number of units in the rental program (capacity) has increased from 212 in July 2024 to 230 today.

Available Parking Spaces	Max Daycation Passes Based on Parking	Units Capacity	Units Under Repair	Max Daycation Passes Based on Units Available	Max Daycation Passes To Be Sold (Lesser of Options)
166	332	230	25	63	63

Currently, the allowance for temporary use permits for beach club day passes will expire on March 31, 2026, pending no extension of the temporary use permit allowance by the City Council.

The attached letter (dated November 10, 2025) from Becky Miller, General Manager of Sundial, requests that the Sundial be allowed to sell a maximum of 168 beach club day passes based on on-site parking spaces and rental unit occupancy/availability instead of the number of units that are still under repair from recent hurricanes. Section 2.2 of Resolution 25-014 states, *“The beach club day passes are intended to replace resort housing dwelling units unavailable to rent due to reconstruction or repairs post storm.”*

Ms. Miller also explains that the Sundial is in the process of expanding the parking lot by 28 spaces. The additional parking was approved with a condition that “the proposed addition of 20 off-street parking spaces is approved for the purpose of accommodating employee and service vehicle parking demand (and not accommodation of parking demand for special events or the temporary uses) pursuant to Sec. 126-1341 and Sec. 126-640.” The letter does not address the demand on parking of the restaurants, special events, spa, or meeting space which are now open for business. However, in a meeting with City staff, Ms. Miller explained that the resort would self-manage the number of daycation passes that would be sold based on activities (unit occupancy, rentals, events, etc.). The Sundial states they will manage the sale of daycation passes conservatively as they do not want to impact guest experience; however, having the option to sell a maximum of 168 daycation passes will assist with their economic recovery.

City Council is asked to consider the Sundial request as the proposed revision cannot be approved by staff. The basic premise for approving the 2024 and 2025 Resolutions was to replace dwelling units that were damaged and could not be occupied following the disaster. The Sundial proposal now requests that the number of daycation passes they may sell be based on their occupancy rate instead of the number of units physically unavailable for rental due to the impacts of Hurricane Ian.

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More specifically, City Council is being asked to consider:

1. Amending condition 6 of the resolution to allow the number of day passes that can be sold to be limited to 168 and remove the secondary limitation related to the number of units unavailable to be rented due to storm damage.
2. Extending the date for allowing temporary use permits for beach club day passes beyond March 31, 2026.

While Sundial is the only resort to make use of beach club day pass temporary use permit, there are ten other properties that would qualify under the limitations of the resolution (within the resort housing district and licensed by DBPR as a hotel or motel), listed below for council's reference. It is unknown how many parking spaces exist at each property. West Wind and Beachview are not currently operational.

SANIBEL INN		937 E GULF DR
ISLAND INN		3111 W GULF DR
SHALIMAR BEACH RESORT		2823 W GULF DR
SONG OF THE SEA		863 E GULF DR
SANIBEL SUNSET BEACH RESORT		3287 W GULF DR
SEASIDE INN		541 E GULF DR
WEST WIND INN		3345 W GULF DR
BEACHVIEW COTTAGES		3325 W GULF DR
SANIBEL ISLAND BEACH RESORT		1231 MIDDLE GULF DR
SUNDIAL BEACH RESORT		1451 MIDDLE GULF DRIVE

Options for the City Council to consider include:

- i. Continue with the current methodology for allowing the sale of beach club day passes at those resort housing properties licensed as a hotel or motel based which is: *Sales of day passes per resort shall be limited to the lesser of the following: (a) two passes per available on-site parking space; or (b) two and a half times the number of resort housing dwelling units currently unavailable to be rented due to storm related damage (the latter being used as an estimated typical occupancy of 2.5 persons/unit)*.
 1. This allows the Sundial to sell a maximum number of 63 beach club day passes until March 31, 2026.
- ii. Amend the methodology for allowing the sale of beach club day passes from that shown in the option above, to approving a specific maximum number of beach club day passes that can be sold, which is what Section 126-35 of the LDC prohibits.

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Discussion and direction.

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