



December 17, 2020

RE: Short Term Vacation Rental Code

Dear Chelan County Board of Commissioners,

The Leavenworth Chamber of Commerce Board of Directors is writing to express disappointment in the final Short-Term Vacation (STR) Rental code being considered for a vote on December 29th, 2020.

The Chamber has always supported the county's efforts in enforcing preexisting rules and regulations, getting better accountability of the STR industry, and tackling the issues creating problems for county residents.

The code as written takes a proverbial axe to an industry that has just recently proved how it can generate tax revenue and stimulate the local economy in literally the worst of times. In the third quarter of 2020, the county's intake of the lodging tax exceeded 2019's numbers, something many counties could only dream of. Along with removing a large portion of this tax base, we will also lose people who help fuel the visitor centric economy which has blossomed around STRs over the past three decades. This reduction will also remove the opportunity for the county to raise meaningful funds for affordable housing programs by imposing an additional tax, of up to 10%, on STRs should Senate Bill 5012 pass.

We know you have seen the numbers indicating that short-term rentals generated \$108 million in direct economic activity and another \$45 million in indirect activity and that short-term rentals generated \$42 million in wages and supported over 1,400 jobs. We also know that this code is attempting to create housing equality in areas that are not necessarily practical for working families. Will current STR owners be replaced with wealthier ones who don't need to offer them as STR in order to afford them? Empty homes don't fuel our economy or employ county residents.

Aside from the financial implications of the proposed code, there will be significant impact on our members, many of whom will be learning during a pandemic that their livelihoods, businesses and retirement plans will soon need to be terminated. Sadly, the code has no provisions for grandfathering or make any considerations to avoid wiping out what people have spent decades building.

Although there are many items in the code that are necessary and useful, we urge you to step back from this code to truly study and understand the impacts it will have on the county. Additional information will assist in crafting a code that is truly rooted by making informed and data driven decisions that will best serve the economy, businesses, entrepreneurs, workers and the residents of Chelan County. The Chamber is happy to assist in any way we can to help find a balance in this discussion without overregulating the STR industry out of business in a county that depends heavily on tourism.

Sincerely,

Jesse Boyd, President
Leavenworth Chamber Board of Directors

Troy Campbell, Executive Director
Leavenworth Chamber of Commerce



Here is what we are hearing from our members about the impacts of this code.

“My business represents 6 families that solely work for me. They do not work for other people but rely only on income from the nightly rentals that I manage. Each of these families have a story and are long time Leavenworth residence/taxpayers. They came to work for me to allow them better wages and opportunities for their families. Two have been able to get into their own homes since working for me. I am not concerned for myself but for these families.”

“I am a property manager in Plain. My properties have been str for approximately 30 years. This code will close all my houses down at the end of the grace period because none of them are in an approved zone according to this draft code. My two employees will be unemployed and won't find another job in Plain.”

“.....we have contributed lots over the years in taxes on reservations, our guests support the area with their spending, and we employ quite a few locals for services supporting our rentals. Being able to rent the cabins when our family is not using them allows us to keep the properties in our family and in excellent condition and share an area we love with our guests. If we are unable to defray the rather large costs of property taxes and upkeep I am uncertain if we would be able to keep the properties- that would be a hard blow to our family as they have been a huge part of our lives since the mid 1980's.”

“I will lose my livelihood. I am a single mother of two teens with a third teen living with us in a rental in Seattle. The only property I own is in Leavenworth. I have invested all of my resources into my Leavenworth property and have operated it as a STR since approx. 2008, while all along paying the appropriate taxes. I used a local builder to build my place, I employ cleaning people, yard maintenance, pool maintenance and a local handyman all of whom I will no longer employ if my STR is eliminated.”

“Quite simply it will put a business that has been a supportive and respectful partner of the Leavenworth community out of business. Our personal retirement plans will be devastated. There are at least 10 local residents who directly are supported by our short-term rental.”

“We will not turn our STR into a long-term rental, instead our kids, their friends and our family would use it. We also would not be putting it on the market for sale.”