



To: Sandy Currens/ClerkRec/COSLO@Wings,
 Cc:
 Bcc:
 Subject: Fw: My Protest Letter
 From: Annette Ramirez/ClerkRec/COSLO - Tuesday 04/21/2015 09:04 AM

To: nschmidt@co.slo.ca.us
 Date: 04/08/2015 11:27 AM
 Subject: My Protest Letter

Hi Nikki,

I was reviewing all the documents from item 27 of the Agenda. I noticed that the letter I delivered to each of the supervisors was not included in the correspondence package. I have attached a copy of both the letters I have sent for inclusion in the correspondence regarding this matter. Also, in the binder out in the waiting area there was information behind that pertained to the protest results to date. I did not notice it in the documents either. Would it be possible to receive a copy, or if it has yet to be posted, let me know.

with kind regards,
 Toni LeGras

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be the change you wish to see in the world. . .  VR TMD protest 2 2015.doc
 VR TMD 2015protest1.doc  TMD financials.xls

Beachside Rentals, Inc.

March 29, 2015

Attn: Board of Supervisors:

From: Toni LeGras, Beachside Rentals, Inc.

Dear Board of Supervisors,

If you would be so kind as to please review the original petition results below for the TMD by Lodging category, I believe you will see justification to alter the current TMD proposal by categorizing lodging businesses.

Total 2013 taxable rents - Unincorporated*			\$85,320,418.00		
Lodging type	# of Businesses total	# of Businesses PETIONED IN FAVOR	Total Taxable Rents reported for 2013	\$ of taxable rent PETIONED IN FAVOR	% taxable rent PETIONED IN FAVOR
Vacation Rentals	914	7	\$15,393,198.00	\$179,124.00	0.21%
BnB	42	3	\$3,795,657.00	\$493,930.00	0.58%
RV Parks	0	0	\$0.00	\$0.00	0.00%
Hotels	79	24	\$66,131,562.00	\$37,453,982.00	43.90%
Totals:	1035		\$85,320,417.00	\$38,127,036.00	44.69%

*Total taxable rents for 2013 - entire county \$231,558,649.00

Data was not available by category for each city
 However, the unincorporated area contains the vast majority of Vacation Rentals & Bnbs in the county

The Unincorporated area contains 1035 of the 1259 lodging business in the county

All data regarding the rents, # of lodging business and "in Favor" petitions came from SLO County Tax Collector or Admin/Nikki Schmidt

Per your legal counsel and the provisions of the Property and Business Improvement District Law of 1994, you are authorized to categorize and make reductions to adjust for the benefits received or not received by proposed assessed businesses.

In viewing the data presented above, you will see there is an **Overwhelming lack of support for the TMD in the categories of Vacation Rentals, BnBs and RV Parks**. Although I was not able to obtain the same breakdown for each city in time for this correspondence, I think it would accurately reflect the rest of the county. I am currently in the process of obtaining that data and will submit as soon as I am able.

Beachside Rentals, Inc.

This data does not reflect a few disgruntled folks who just get thrown in. There are very specific reasons each of these lodging business are expressing that the TMD provides no benefit to them. My business is Vacation Rentals and I have attached my previous letter to you outlining why the 1% TMD assessment would actually be harmful to our industry, unless changes are made in our ordinances.

After viewing these statistics, I feel you would be doing these businesses a huge disservice if you do not take a moment to understand and recognize that Vacation Rentals, BnBs and RV parks *ARE* different than Hotels/Motels. The ordinances and regulations in almost all cities recognize these differences by creating specific rules and regulations that treat each of these categories differently. Some of these very rules and regulations are why the TMD assessment would be unfair to these businesses.

It has been mentioned that unless all the lodging businesses are included, the TMD cannot succeed. In the past they have had a budget of approximately \$834,098.00. The total estimated dollar value of Vacation Rentals, BnBs and RVs based on the 2013 taxable rent is \$19,188,949.00 [*\$15,393,198.00 (vacation rentals) + \$3,795,657.00 (BnBs), zero reported for RVs*].

As a percentage of the \$85,320,417.00 of taxable rent for 2013 in the unincorporated area, these 3 categories only represent 22.49%, of the total taxable rents, and this figure will drop significantly when the data for the other cities is collected because the vast majority of the Vacation Rentals in the entire county are located the unincorporated area.

What this means is if the three categories mentioned above are excluded from the TMD, the estimated \$2,800,000.00 budget for Visit SLO would only be decreased by a maximum of 22.49%. It would adjust to no less than \$2,170,280.00. This is still 260% increase over their previous budget. This would seem to be a sufficient amount of money to foster success.

You do have the authority and the responsibility to use the Property and Business Improvement District Law of 1994 to eliminate assessments or modify them based on the specific benefit received by the proposed assessed business.

Thank you for your efforts and please feel free to call me at 805-995-3680 for further discussion if desired.

Sincerely,

Toni LeGras
Broker/CEO
Beachside Rentals, Inc.

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Beachside Rentals, Inc

February 26, 2015

Attn: Board of Supervisors:

From: Toni LeGras, Beachside Rentals, Inc.

Dear Board of Supervisors,

This letter presented to express our Strong opposition to the Proposed TMD Assessment currently under consideration at the county.

As the owner of a Vacation Rental company, I am a direct witness to the negative impact the density standard in the Vacation Rental Ordinance has imposed on our profession.

The density limitation has effectively reduced the number of *active, legal* Vacation Rentals available for Visitor Serving lodging in Cayucos, and few, if any, new Vacation Rental license requests have been approved since the last revision of the ordinance, because they do not meet the density standard.

Vacation Rentals have been providing about 58% of all visitor serving lodging and TOT collections in Cayucos, yet that percentage is shrinking due to natural attrition and the inability to replace homes that become unavailable for various reasons of each property owner. Licensed Owners may choose not to rent out their homes, but the majority of them retain the license, which prevents renewal of the inventory we can offer. We estimate that over 30% of licensed homes are not being used as vacation rentals and are not generating TOT. There is no provision in the Ordinance for voiding "fake" vacation rentals.

In brief, this aspect of the Vacation Rental Ordinance has resulted in a **large** unregulated Vacation Rental Market, which does not pay TOT tax, nor will it contribute to the TMD or the CBID.

Main Reasons I Oppose this Assessment:

1. By increasing the cost to the consumer to rent a *legal* accommodation, the competitive price gap between the legal and illegal rentals widens and will actually drive guests to seek lodging that excludes tax. The consumer does not know the laws, they are looking for a good rate, and so if they can save the tax, they do. The unregulated market continues to expand its offerings.
2. The county has put absolutely NO effort into minimizing these illegal rentals, and is therefore harming the existing legal market, where TOT revenue is generated and accountability can be addressed. Without enforcement, we are at a competitive disadvantage. Without enforcement, the number of illegal rentals offered have been increasing at a rapid rate.
3. Due to the fact that no efforts have been made to stop the illegal vacation rentals, any marketing dollars spent to promote our area are simultaneously promoting the illegal rentals as well, they get a free promotional ride and our guests are paying for it.
4. Other vacation destinations, such as Santa Barbara and San Francisco have been successful in their efforts to enforce the licensing laws they have established. These are the markets the TMD proposes to compete with. These cities may charge more TOT, but they are taking steps to make sure their constituents receive the benefit of the marketing efforts made and are making it difficult to locate non-compliant accommodations which exclude tax.
5. In addition, I oppose charging guests who are already aware of our area another fee to market to others who may not know about the Central Coast, thereby increasing costs and potentially decreasing availability for the loyal clients we have year after year, as our inventory is decreasing.

Beachside Rentals, Inc

There are several concerns I have regarding the proposed TMD, however, I have addressed my main concerns above. Until they are addressed, the others are irrelevant.

For Vacation Rentals especially, this assessment is more harmful than helpful. I could perhaps support the TMD if the county were to:

1. Revise the ordinance to eliminate the Density Standard in order to encourage illegal rentals to comply with the laws and contribute to the TOT / TMD. *For example, Morro Bay has a Vacation Rental Ordinance without a density standard, so they gather more legal TOT dollars and those who desire to rent have the opportunity to be in legal compliance.*
2. Put a real effort into reducing the number of illegal, non -TOT paying rentals that are so freely advertised and marketed all over the web. As it stands today, it is a "not so amusing joke" to even have an ordinance, without enforcing this basic aspect.

Unless one or both of the above actions are taken by the county, Beachside Rentals, Inc. cannot recommend support for this proposal to the property owners we represent.

Thank you for your efforts and feel free to call me at 805-995-3680 for further discussion if desired.

Sincerely,

Toni LeGras
Broker/CEO
Beachside Rentals, Inc.

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BEACHIDE RENTALS

Total 2013 taxable rents - Unincorporated*			\$85,320,418.00		
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	<i>total</i>	<i>PETITIONED</i>	<i>reported for 2013</i>	<i>PETITIONED</i>	<i>PETITIONED</i>
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from either the tax collector or Nikki Schmidt/Admin					
Total 2013 taxable rent for VR , BB & RV*			\$19,188,855.00		
As a percent of total Unincor Taxable Rent					22.49%
* this is a maximum as the other cities have fewer VR, BB					
this can be updated when all the data is collected.					
TMD	with VR, BB, RV		\$2,800,000.00		
TMD	without VR, BB, RV		\$2,170,280.00		
VisitSlo PreTMD			\$834,089.00		
% increase of funds for VisitSIO even with out VR, BB RV					260.20%