

UNION PARK DISTRICT COUNCIL

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May 16, 2017

Dan Niziolek
Department of Safety and Inspections
City of Saint Paul
375 Jackson Street
Saint Paul, MN 55101

Dear Dan,

Thank you for presenting at the May 15, 2017, meeting of the Union Park District Council Committee on Land Use and Economic Development.

The Committee voted unanimously to support the proposed ordinance amendments related to Short Term Rentals, and to support the City's process moving forward to implement the ordinance amendments.

Please let me know if you have any questions.

Sincerely,

Julie Reiter

Julie Reiter, Executive Director, Union Park District Council

From:

MARY ANTONIA WILMES <mary@sagewoman.net>

Sent:

Wednesday, May 31, 2017 8:49 PM

To:

Dadlez, Kady (CI-StPaul)

Subject:

Airbnb Study

Hi, I have a single Airbnb unit in my home. I read the study carefully and think the proposal is very reasonable. My only question, a minor one, is why if the B&Bs want Airbnbs treated the same as them, and that seems to be mostly the case, why can B&B's have an exterior sign but Airbnbs can't? I plan to come to the meeting on Friday. Thanks.

Mary Antonia Wilmes 1393 Berkeley Av Saint Paul MN 55105 651-698-0301

Summit Hill Association

District 16 Planning Council 860 Saint Clair Avenue Saint Paul, Minnesota 55105 Telephone 651-222-1222 www.summithillassociation.org info@summithillassociation.org

June 1, 2017

Kady Dadlez

Sent Via Email

Senior City Planner

St. Paul Department of Planning and Economic Development

25 West 4th Street

St. Paul, MN 55102

Dear Kady;

On behalf of the Summit Hill Association and its Zoning and Land Use Committee, I'm sending comments regarding the proposed Short-Term Rental (STR) zoning code amendments for consideration at tomorrow's Planning Commission public hearing and meeting.

We elected not to take a vote on this, acknowledging that there is a need to regulate STRs. However, we solicited comments from our board and from the broader neighborhood and they are consolidated and reflected in the accompanying document "Short-Term Rentals: Comments, Questions and Concerns" which includes general comments, as well as some specific to the points and suggestions in the Planning Commission document dated 4/14/17 outlining the findings of the STR study that was conducted and the proposed zoning code amendments.

Themes which emerged centered on the following:

- Concerns about safety and security that are not addressed in the proposed amendments, especially for residents of multi-family buildings who could see a succession of strangers having access to and occupying units in their buildings, but also for surrounding neighborhoods of STR units in general.
- Concerns about losing affordable, long-term rental units to STRs, based upon the experiences of other cities.
- Skepticism on the reliance on the various STR platforms for enforcement and providing the necessary data to provide adequate regulation by the City.
- How compliance can really be monitored and enforced by the City, whether it's with regard to fire inspections, licensing or other matters.
- Concern that the proposed rules around occupancy and limits on the number of allowed STR
 units are too expansive, along with more questions on who and how these would be enforced.

Please let me know if you have any questions, and thank you again for consideration of our comments.

Yours truly,

Lori Brostrom
Chair, Zoning and Land Use Committee
Summit Hill Association District 16 Planning Council

cc: Monica Haas, SHA Executive Director

SUMMIT HILL ASSOCIATION NEIGHBORHOOD INPUT Short-Term Rentals: Comments, Questions and Concerns

General:

- On Page 2, there was a list of potential negative impacts of STRs and the proposed ordinances did not address several:
 - Neighborhood quality of life issues such as late night activity, noise, crime, litter, property damage, fire danger, loitering, reduced on-street parking
 - Reduction in long-term residents and affordable housing as STRs reduce the number of units which would otherwise be rented for longer-term residential uses
- What are the protections for other residents in multi-family buildings when there are problems
 or security issues, especially when the landlord/owner is not on site? How do they have a voice
 about strangers constantly having access to the building when moving in this tight rental market
 is not a practical/viable option?
- The proposed regulations do not seem to address/solve the identified potential problems. That being said, I would prefer the City err on the side of less regulation, knowing that more can be added. The benefits seem more than potential. To homeowners and property owners—providing extra income that is likely to be invested in St. Paul, used to keep up properties or just help pay their property tax bill. The argument of benefits to neighborhood businesses is compelling, as visitors are more likely to spend their money near where they are staying.
- I have a concern with safety for non-owner occupied premises. For multi-family buildings, I have a particular concern about safety and security for the other residents. Also, I believe that non-owner occupied short term rentals have the potential to negatively impact the housing market for affordable housing. I believe that apartment prices in NYC and San Francisco have risen as there are fewer long term rentals on the market due to apartment stock being used for short term rentals.
- With all the benefits in terms of income streams for homeowners and local businesses, which is great, the potential issues to avoid or keep on radar are:
 - o Purchasing homes and buildings for STR only. Would it be possible to put a limit on the number of units one Airbnb operator can offer? From a recent report on PBS about NYC cracking down on Airbnb, in NYC, 6% of hosts account for 37% of units according to an Atty General Report. At what point are these units B&Bs or hotels?
 - o In NYC 4600 units rented longer than 3 months per year.
 - Housing issue significantly less of a problem in St. Paul; is there a need to track lack of housing with the increase of STR available in the city? At a designated ratio, cap number of STR offered? If go over a certain number, owners jump into the B&B or hotel category.
- I've looked at several studies on short-term and Airbnb from other cities—including NY, Madison, WI., and others. The costs and benefits to a city are clear. Cities will incur more costs, while some individual owners will incur more benefits.
 - o The argument that St. Paul needs to keep up with economic trends, referencing short-term rentals, is not supportable by any known data. The numbers are just not there. Notwithstanding the "fees" collected, in fact, the city will increase its expenses because of inspections, trash and other clean-up, and calls to police, among other things. It is simply not true that a city will see an economic benefit from short-term rentals. The costs, however, go beyond (opportunity cost) direct costs for inspections, etc. to other things that will be neglected because of this issue. My sense is that St. Paul is already at

- the margins of its capacity to provide for a well-regulated police, quality infrastructure, and development of city-wide-benefiting projects.
- Given the image that St. Paul wants to present—families, history, city beauty, parks, education, knowledge industries, entertainment and the Arts—the promotion of boutique hotels and established hotels would be a more consistent path to our image.
- With the number of rental apartments built and being built, it would seem that their management could set aside a number of short-term rental units for week-end or weeklong visitors. In most cities, short-term rentals cost between \$75 and \$500 per day. This is incentive enough for large rental units.
- Given the challenges faced by other cities, I would continue keeping short-term rentals illegal. In economics and regarding cities, it's OK to be unique. St. Paul should gracefully build its uniqueness.

Section 1—Licensing (Page 5):

- Concern about reliance on platform to provide data, enforce issues
 - Up until now, platforms have resisted providing that for other municipalities
 - Does the City have sufficient resources allocated to enforce other requirements such as compliance with ordinance; maintenance of lodging log; maintenance of fire certificate of occupancy, insurance and licensure?
- Engaging in "adverse action against the platform" if the platform doesn't perform as needed will
 be expensive and time-consuming, making this a potentially high-risk approach vs. the City
 controlling these aspects

Section 2—Fire Certificate of Occupancy (Page 5):

- "Complaints about STRs would be handled by DSI in the same manner that property complaints are handled currently." Issues with this:
 - o Low immediacy—puts the onus on neighbors to call the police, try to find their landlords, figure out how and who to complain to, etc. when there are issues.
 - o What are the consequences? Again, how will critical issues be addressed without long time periods without action with multiple involved parties—police, DSI, property owner, neighbors, ST renters, platform?
 - Assuming many/most of these rentals will occur on weekends, will DSI have staffing on weekends?
- "Five-star ratings on host platforms" is not going to help neighbors with complaints who also can't register their experiences.
- "STRs in owner-occupied or resident-occupied units would not require a fire certificate of
 occupancy." This is potentially dangerous—it presumes fire safety with no basis in fact, and
 when STRs make these residences, de facto, multi-family, why would the same fire safety
 requirements not be followed?
- "Note that the owner of an owner-occupied short term dwelling unit does not need to be present during the rental period, except for duplexes with two short-term rental units." This opens the doors to abuses where owners claim a building is owner-occupied to get the lesser requirements, but actually doesn't live there. Who is going to monitor/enforce?
- "Rather than requiring an agent, Saint Paul opts to obtain contact information for a responsible
 party in addition to the host as part of the license process but not require the responsible party
 to be available 24/7." What if there are issues and nobody can be reached? It is unclear how
 this can be enforced or complied with.

- Requiring inspections every 1-6 years, depending on the type of unit, is insufficient—a lot can change in just a year.
- I'm ok with the time frame for the inspections matching the current standard. The idea behind the 1-6 year inspection for COOs is that problem properties will get inspected more frequently. This serves two functions it makes sure that known problems get more City attention, and it gives owners a big incentive to be proactive with repairs and maintenance and get a good grade on their inspection. It seems to me that using the current COO for safety inspections process is reasonable.

Section 3—Zoning (Page 6):

- The City is attempting to avoid setting limits on frequency of rentals, saying, "...it is difficult for the City to determine how often a unit is rented." However, the City is also relying on the platform to inform them of this, specifically, in order to collect taxes. This makes no sense, and by not limiting the frequency in which units can be rented, it opens the door to what other cities have experienced re: property being acquired and used exclusively for STRs, thus removing them from the larger rental pool for long-term residents.
- "Staff also considered a provision to require a conditional use permit for non-owner occupied STR dwelling units. However, this provision would require a much larger regulatory framework than envisioned under the proposed amendments." This conflicts with the stated ability for some owners to obtain CUPs later in the document. Which is it—CUPs or no CUPs?
- Owner occupied STRs are similar to getting a roommate; the city currently has no regulatory policy on roommates/subleasing, instead leaving this up to homeowner, landlord, or condo association. I've thought longer on my previously expressed concern regarding the Grand Ave renter who is running a small-time STR out of her apartment, and feel that it is the landlord's job to prohibit such activity. (Generally speaking, most leases only allow subletting with LL approval, so that tenant is likely already in violation of her lease and could potentially face eviction for her STR activity.) Moreover, the City outlawing it isn't likely to be any more effective at stopping tenants from illegally hosting an STR than the LL, in my opinion.

<u>Section: Proposed Amendment—STR Dwelling Unit Discussion (Page 7):</u>

- Paragraph two says that in non-1 or 2-family zoning districts "one or up to half of dwelling units on a lot, to a maximum of four, may be used for STR. More than four STR dwelling units may be allowed for buildings with more than ten units when a conditional use permit is obtained by the building owner. The intent is to limit the number of STR units in a building to no more than 50% to prevent quasi-hotels." On Page 11, the amendment language for 65.645 (a) confirms this language.
 - o This is very concerning for areas such as Grand Avenue and apartment buildings within the Summit Hill district that this would pertain to. It could potentially remove up to half of the rental units in the district, most of which are more affordable (renting at or near the median rental rate for St. Paul).
 - Again, the availability of CUPs to expand STRs for larger buildings contradicts the earlier statement about wanting to avoid them.
- Having more than one class of STR seems reasonable, but I'm not convinced that the classes as
 proposed will have the desired effect. The number of units seems a more important
 classification than whether or not the property owner is on-site. I would propose to have one
 classification for owner-occupied duplexes and single family (regardless of owner occupancy);
 and a second classification for non-owner occupied duplexes, triplex and 4-plex properties,

- which would warrant a higher burden of regulation because they are becoming more like a B&B. I would propose a flat out prohibition on STRs in anything larger than 4 units. Larger than 4 is definitely more commercial in nature, and should have to apply to become a hotel or B&B.
- The 50% limit does not seem useful to me. Some of these potential problems come from
 "mixed" occupancy—i.e. the strangers having access problem. If a 4-plex is all STR, that's
 probably better than if two units are long term and two are short. (I don't think I'd want to live
 in a 4-plex that's half itinerate, personally).
- There could be a limit on the number of STRs by class and by area. Limits would be intended to
 cut down on the concern for a loss of affordable housing, as well as on the competition problem
 for hotels & BnBs). I know other places have done this, and wonder if there's enough data to
 know if it's had the desired effects.
- There should be a general rule on number of occupants per rental unit, and a no event hosting (i.e. "no party house") rule. The rule would have to be enforced by the operator, and, yes, it would largely be on a complaint basis, but the rule would give bigger teeth to enforcement—both for operators to prevent parties, and to have recourse against party-hosts; as well as for neighbors to complain (with the possible threat of having an STR license revoked).

Table 63,207 Minimum Required Off-Street Parking by Use (Page 12):

- STR Dwelling Unit: 1 space per dwelling unit and 0.5 spaces per every 2 adult guests
 - o How will this be calculated for apartment/condo buildings with multiple units?
 - o How will this be enforced and monitored?
- Parking has been argued both ways STRs result in less use of on-street parking, or more
 parking should be provided. I would propose not adding any additional parking rules at this
 time.

From:

GorillaMa <avechr@gmail.com>

Sent:

Friday, June 02, 2017 12:10 PM

To:

Dadlez, Kady (CI-StPaul)

Subject:

Re: question for Airbnb public hearing on June 2nd, 2017

Hi Kady,

The draft says that a triplex can have one short term rental, but an owner occupied duplex can have two short term rentals. It doesn't give information about an owner occupied triplex, but it why wouldn't an owner occupied triplex at least have as many (2 in this case) as an owner occupied duplex?

Thank you in advance! Christine

On Fri, Jun 2, 2017 at 7:52 AM, Dadlez, Kady (CI-StPaul) < Kady. Dadlez@ci.stpaul.mn.us > wrote:

Hi Christine-

A triplex would be allowed to have one short term rental unit according to the draft ordinance. Let me know if you have any other questions.

-Kady



Kady Dadlez Senior City Planner

Planning and Economic Development 25 West Fourth Street Saint Paul, MN 55102

P: 651-266-6619

The Most Livable F: 651-266-6549



Making Saint Paul the Most Livable City in America

From: GorillaMa [mailto:avechr@gmail.com] Sent: Thursday, June 01, 2017 11:37 PM

To: Dadlez, Kady (CI-StPaul)

Subject: question for Airbnb public hearing on June 2nd, 2017

Hello Kady,
I am an Airbnb host living in an owner occupied triplex on the West Side in St. Paul. I have lived here 17 years, and raised a family here, and I am a landlord as well. I enjoy hosting Airbnb guests, and I am on disability, and the income really helps sustain me. I have a five star rating, and I only rent guest rooms to individuals, not couples, to keep traffic and noise down.
My question for you is regarding the 16 page document studying the short term rentals. On page 15, it talks about single homes, duplexes, owner occupied duplexes, and then it jumps to fourplexes. How many short term rentals are you advising owner occupied landlords of triplexes to have? That is where I need clarification.
I am hoping to go to the meeting tomorrow but I am uncertain if I will be able to do so at this moment so I am writing you in case I cannot be there to make my question in person!
Thank you for your help!
Sincerely,
Christine



June 2, 2017

Kady Dadlez City of Saint Paul 15 Kellogg Blvd. West Saint Paul, MN 55102

CC: Saint Paul Planning Commission

Dear Ms. Dadlez:

Thank you so much for allowing us the opportunity to comment on the City of Saint Paul's proposed short term rental zoning amendments. We appreciate the transparent and practical approach you have taken.

We understand that the effort to create effective regulations for short term rentals is timely as the City of Saint Paul joins Minneapolis in hosting Super Bowl LII next year. During Super Bowl LI, our short term rental host community helped the City of Houston substantially expand its lodging capacity and take full economic advantage of the event. In total, our hosts welcomed 8,200 guests and generated an estimated \$6 million economic impact, including \$4 million in direct income for Houston hosts. Half of our Houston Super Bowl hosts were hosting for the first time. We expect that our community will also help the Twin Cities to make the next Super Bowl an unmitigated success for your citizens, local businesses, and tourism brand.

As Saint Paul considers its regulations, we urge the city to keep them as simple, clear, and easy to follow as possible. Our hosts want to follow laws, but they're not professionals - most are only hosting roughly two months per year. And, nearly half are sharing only a private room in their home, often empty nesters (35% of our hosts are over age 50).

With regard to your proposed amendments, we have two concerns in particular:

Airbnb suggests reconsidering the proposal to limit STR permits based on building type, which it believes will be cumbersome for the City to administer, confusing for hosts to understand, and fundamentally unfair in practice.

The proposal to regulate short term rentals based on building type will be unwieldy for both the City and the STR community, and will ultimately hamstring the city as it attempts to expand lodging capacity for the Super Bowl. We understand the intent is to limit short term rentals in order to "prevent quasi hotels." However, we suggest the city consider alternate approaches, as the current proposal will lead to several implementation issues.



First, the current proposal requires the owner of a building with ten units or more to obtain a conditional use permit. This ignores the fact that home sharing usually occurs at the unit level, rather than the building level (ultimately encouraging what the City is trying to prevent). It also ignores the fact that renters may want to share their homes in order to afford increasing rent prices, and that many units are owned by their occupants, rather than the building owner.

Second, regulating a host based on his or her neighbor's decisions is fundamentally unfair. If two occupants in a four-unit building received permits but only hosted for one weekend (say, the Super Bowl), they would preclude their neighbors from hosting legally for the rest of the year. This proposal also assumes that once permitted, hosts will share their homes on a constant and uninterrupted basis, when in reality the typical host in Saint Paul only shares his or her home 70 nights per year.

Finally, this proposal will be confusing for both hosts and the city. Hosts in multi-unit buildings would be expected to coordinate with each other to understand who has a permit. Home owners would not be able to rent out individual rooms in their homes. The City would have to track when each permit expires, so that precluded neighbors would know when they are able to apply. Moreover, we suggest that if a regulatory proposal is so cumbersome that it must be accompanied by both examples and diagrams - it is too cumbersome for first time hosts to understand, and will likely lead to low compliance.

One alternate approach could be limiting the number of permits each host may have. We currently estimate that 90% of our hosts have only one listing. However, using the City's limit of four permits per building, we propose that hosts are limited to four permits total, unless they receive a conditional use permit. This would address the city's concern of entire buildings being turned into "quasi hotels," as it would maintain the same restrictions on building owners or individuals who list multiple properties for short-term rent. However, it would also simplify the process by creating one clear standard for all hosts, regardless of what building they live in.

Current platform license requirements would violate federal law, and obstruct Airbnb's ability to work collaboratively with the City.

We hope to work with the City to ensure compliance among our host community. However, the current proposal ignores our desire to work in good faith, and imposes requirements that violate established federal communications law.

We understand from our conversations with City staff that the intent behind the platform registration requirements is to create a process to take down listings that are not compliant with City rules. However, requiring Airbnb or any other platform to remove listings would violate the Communications Decency Act, which holds that platforms may not be punished for editorial functions such as electing to remove (or not remove) content.



Instead, Airbnb is open to creating a voluntary process with Saint Paul through which Airbnb would remove problem hosts after appropriate notification and consideration. Indeed, Airbnb already offers the <u>Neighbors Tool</u>, which is way for any citizen (or policymaker) in Saint Paul to directly communicate concerns about STRs to our staff, and begin the takedown process if necessary. We already work with several cities on this issue, and are happy to share our learnings with Saint Paul.

Conclusion

Airbnb hopes to continue working with the City of Saint Paul to create the best regulatory system possible for its residents, businesses, and communities. We want to learn more about your concerns, to share best practices, and to provide updated information about the scope and size of our community. We believe that by working together, we can create rules that allow Saint Paul to reap the full economic and social benefits of home sharing.

Thank you for your time and consideration.

All the best,

Laura Spanjian Policy Director Airbnb

Attachment A: About Airbnb

Attachment B: Profile of Airbnb Community in Saint Paul

Attachment C: Neighbor Notification



About Airbnb

Founded in August of 2008, Airbnb is an online marketplace that allows people to list, discover, and book unique accommodations around the world — whether a spare bedroom, an apartment, a cabin, or a castle. Airbnb allows individuals to safely and securely locate each other, communicate, and make financial transactions in over 34,000 cities and 190 countries.

How Airbnb Works

Everyday people decide to list their homes on Airbnb. Hosts create profiles for themselves and their property, choose their own price and availability and set guidelines for guests.

- 1. Guests search for hosts who are renting extra rooms or entire homes.
- **2.** Hosts and guests learn about each other through past reviews, connections on Facebook, and personal communication through Airbnb.
- 3. Guests and hosts use Airbnb to confirm travel dates, expectations, and pay.
- 4. Airbnb holds onto the payment until 24 hours after the reservation begins.
- 5. Hosts keep 97% of booking fees.
- **6.** After the stay, both hosts and guests leave reviews for one another, which are public for all future hosts and guests to read.

Airbnb Community in Saint Paul in 2016

- 200 Hosts
- 4 nights Average length of stay per guest
- \$2.5 million Total host earnings
- 44,000 Saint Paul residents used Airbnb to travel elsewhere
- 43 Average host age
- 10,000 Guest arrivals
- 47% of listings are private rooms
- 70 Nights hosted annually per typical listing

Airbnb's Commitment to Paying Taxes

Airbnb recognizes that the tourism industry is an important economic driver around the world, including a significant source of revenue for local governments. We proactively work with cities and states to collect taxes on our hosts' behalf, and remit them directly to local governments. As of May 1, 2017 we'll be collecting and remitting tax in over 250 jurisdictions, and we hope to do the same in the State of Minnesota.

Overview of the Airbnb community in :

Saint Paul, Minnesota, United States

Chose an aggregation level

ocity state country

Pick an area

Saint Paul, Minnesota, United States

Pick a date

2015 (calendar year) 2016 (calendar year) May 1, 2017

All Definitions

Annual Earnings (Typical Host)

Median value of total income earned by host during the one-year study period.

Annual earnings are presented for typical hosts.

Average Length of Stay

The average length of stay per guest, rather than per trip.

Airbnb community members who stay in Airbnb listings.

Airbnb community members who rent space on Airbnb.

Inbound Guest

All guests visiting a particular location. Inbound guests includes guests who live in

the same location they may have stayed in.

Listing (Active)

A property listed on Airbnb. Listings may include entire homes or apartments, private rooms or shared spaces. Active Listings are all listings that appear on the website during a search. Active listings do not necessarily have availability on a

particular date or at all.

Entire Home / Apartment A listing where the guest can rent the entire home from the host. The host is not present in the home during the guest's stay.

Private Room Listing

A listing where the guest can rent a private bedroom within a home. The host may be present in other parts of the home during the guest's stay, and the guest may share common spaces like the kitchen, living room, and/or a bathroom with the

A listing where the guest can rent a communal space, such as a shared bedroom or a living room sofabed, within a home. The host may be present in the home during the guest's stay, and the guest may share common spaces like the kitchen and/or a bathroom with the host.

Total number of nights a given listing is rented through Airbnb in the study period. Only listings that were active as of the start of the study period, and had at least one booking during the study period are included, in order to present the most representative annual values for Airbnb hosting activity.

All guests from a particular location who booked an Airbnb listing, regardless of where the listing is. There may be some minor overlap between Inbound Guests and Outbound Guests. All guests associated with a particular reservation are attributed to the location of the booking guest.

The median host for all hosts who had at least one active listing as of the start of the study period and at least one booking during the study period. Typical host definitions are used to calculate Annual Earnings and Nights Hosted. Presenting the median value for all hosts who were active as of the start of the study period provides the most representative values for the Airbnb host community.



Overview of the Airbnb Community in Saint Paul, Minnesota, United States

The following page captures the Airbnb community in Saint Paul, Minnesota, United States

HOSTS

CURRENT ACTIVE HOSTS as of 2016 (calendar year)

200

AVERAGE HOST AGE

43

ANNUAL EARNINGS FOR A TYPICAL HOST

\$7,300

GUESTS

INBOUND GUEST ARRIVALS IN THE PAST YEAR

10,000

AVERAGE LENGTH OF STAY PER GUEST

1

OUTBOUND GUEST ARRIVALS IN THE PAST YEAR

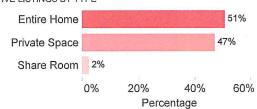
44,000

LISTINGS

NIGHTS HOSTED PER YEAR FOR A TYPICAL LISTING

70

CURRENTLY ACTIVE LISTINGS BY TYPE





.....

Overview of the Airbnb Community in Saint Paul, Minnesota, **United States**

The following page captures the Airbnb community in Saint Paul, Minnesota, United States

HOSTS

AVERAGE HOST AGE

ANNUAL EARNINGS FOR A TYPICAL HOST

43

\$7,300

GUESTS

INBOUND GUEST ARRIVALS IN THE PAST YEAR

AVERAGE LENGTH OF STAY

OUTBOUND GUEST ARRIVALS IN THE PAST YEAR

PER GUEST

10,000

4

44,000

LISTINGS

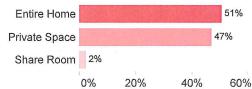
ACTIVE LISTINGS

CURRENTLY ACTIVE LISTINGS BY TYPE

296.0

NIGHTS HOSTED PER YEAR FOR A TYPICAL LISTING

70



Percentage

Note: All data above is drawn from Airbnb proprietary bookings data. Data based on the one year period preceding January 1, 2017



Airbnb Host and Guest Profile

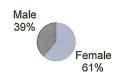
Airbnb hosts in Saint Paul, Minnesota, United States are respectful community members who enjoy sharing their homes with guests from all over the world.

HOST PROFILE

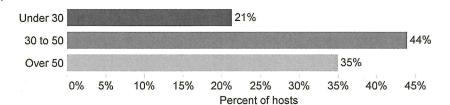
AVERAGE HOST AGE

43

GENDER BREAKDOWN



AGE BREAKDOWN



GUEST PROFI...

AVERAGE GROUP SIZE

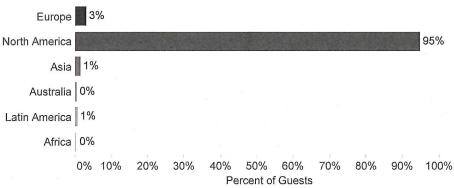
PERCENTAGE OF TRIPS THAT INVOLVE 4 OR FEWER GUESTS AVERAGE AGE OF BOOKING GUESTS

2.1 people

96%

41

GUEST ORIGIN



Note: All data above is drawn from Airbnb proprietary bookings data. Data based on the one year period preceding January 1, 2017



Hosting Behavior

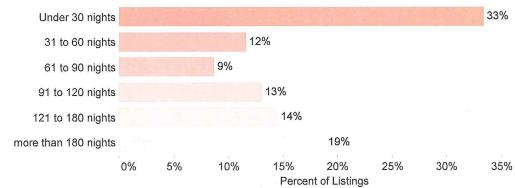
For many hosts in Saint Paul, Minnesota, United States, home sharing is an economic lifeline that makes it possible for residents to pay the bills, make ends meet, and stay in the cities they love. Hosts tend to host occasionally throughout the year, and earn modest but significant supplemental income.

NIGHTS HOSTED PER YEAR BY A TYPICAL HOST ANNUAL EARNINGS FOR A TYPICAL HOST

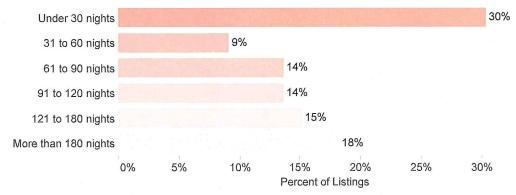
70

\$7,300

NIGHTS HOSTED PER LISTING - ALL LISTINGS



NIGHTS HOSTED PER LISTING - ENTIRE HOME LISTINGS



Note: All data above is drawn from Airbnb proprietary bookings data. Data based on the one year period preceding January 1, 2017

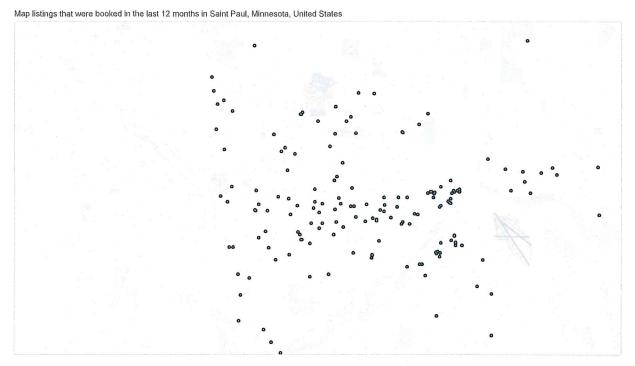


Geographic Distribution of Listings

The following page the geographic distribution of active listings in Saint Paul, Minnesota, United States

Aggregation Level
 city
 state
 country

Pick an area Saint Paul, Minnesota, United States



Note: All data above is drawn from Airbnb proprietary bookings data. Data based on the one year period preceding January 1, 2017





A Resource for Neighbors

Every time a host welcomes a guest into their home, they are also welcoming them into their neighborhood. We're proud that since Airbnb began, over 80 million guest arrivals been welcomed by hosts and their neighbors in over 190 countries worldwide.

The overwhelming majority of Airbnb guests are respectful travelers, so complaints and issues are incredibly rare, but we always want to do everything we can to help our community members be good neighbors in the places our hosts call home. To help achieve that goal, we launched a new resource for neighbors of Airbnb hosts.

Anyone can go to airbnb.com/neighbors to share specific concerns they might have about a listing in their community. These concerns could include things like noise complaints. From there, our team will review their concern and, if necessary, follow up with the host regarding the issue.

Neighbors can submit information without having their name disclosed to a host or allow our team to pass along their contact information so the host can follow up with them directly. Once a neighbor submits feedback, we will send a confirmation email, along with a case number.

We'll treat each case seriously and ensure that we give hosts and their neighbors the opportunity to resolve concerns themselves, whenever possible. Hosting is a big responsibility and those who repeatedly fail to meet our standards and expectations will be subject to suspension or removal from the Airbnb community.

Our community of hosts, guests, and neighbors is defined by a set of values that support our shared mission to create a world where people can belong anywhere. We're excited to offer this tool as we continue to work to support everyone — including neighbors — in the Airbnb community.

From: Bonnie Jean MacKay <walke020@umn.edu>

Sent: Monday, June 05, 2017 10:52 AM

To: Dadlez, Kady (CI-StPaul)

Subject: Airbnb Experience and Gratitude for Opportunity

Dear Kady,

I learned about Airbnb from Sean Doyle, and, while my spaces were very humle in comparison with his, the rental income made it possible for me to pay my house payment, and insurance when my University of Minnesota job was cut to half time. Had the wonderful means of reaching out to people who were prescreened and reviewed to offer a low-cost lodging alternative not been available to me, I may not have been able to keep my home.

I have hosted people from all over the world, and my life has been enriched by meeting them. The people who come through are delightful and kind and gentle folk who have been grateful for a place to stay in a welcoming home in a quiet residential neighborhood. They have not upset any of my neighbors, and they have been tremendously respectful.

The income I gained allowed me to not only pay the house payment, but also continue to make much needed improvements to the house and property. I am not presently participating in the Airbnb system, as I was remodeling the kitchen, and I need to make some changes to the house, and want to be sure that everything is in better condition to impress, or at least make comfortable my future guests.

Airbnb was originally touted as an opportunity to find unique and novel places to sleep and where there may or may not be a host in residence. I found the whole idea simply wonderful, and offered up a delightful little cabin in my back yard. It was set up so that guests had a private place to sleep and relax, but needed to come into my home to use my bathroom. People loved it! It was inexpensive, and close to where they wanted to be while in town for various purposes. I ran into difficulties when an inspection was made in my absence, and no Saint Paul code was available to fit the unique situation of allowing people to sleep in a little tiny cabin with a lofted bed, and use my bathroom indoors. I continued to rent out a room in my house, but the income was cut in half ust at the time that I was fully laid off from my University of Minnesota job.

Still the income the upstairs room generated for a few months continued to help me maintain the home, and I managed to keep from losing it.

I am very much in favor of the Airbnb sharing economy, and I figured my taxes by considering it a business, and paying taxes on the income generated.

Sincerely, Bonnie Jean	
Bonnie Jean MacKay	

651-428-2084 Mobile Phone walke020@umn.edu

Our lives begin to end the day we become silent about things that matter. Martin Luther King, Jr.

From: Tess Galati <tessgalati@icloud.com>

Sent: Saturday, June 03, 2017 11:15 AM

To: Dadlez, Kady (CI-StPaul)

Cc: Anastasia Galati

Subject: Short Term Rental Testimony

Dear Ms Dadlez and Planning Commissioners:

My name is Anastasia (Tess) Galati. I moved into 482 Holly Avenue, a house built in the 1870s and registered in Ramsey County in 1884. I have lived here for 41 years.

In the early 80s, every house on the block was robbed except mine. My house looked so bad it was beneath the interest of any burglar. I know every square inch of my house. I have nailed it, painted it, bought it, cleaned it, wired it, planted it. But it's never finished. Every year I budget \$5000 to upgrade, repair, and keep my house safe, solid, and attractive. Needless to say, I love my house and garden. Property tax, homeowner's insurance, and utilities cost another \$24,000 a year. Keeping a 150-year-old house going is not cheap.

I am a retired, 76-year-old Airbnb host. I have been a professor, a business consultant, and a small business owner. I was paid well, and I paid my employees well, so I am not a rich woman. I've always loved hosting and entertaining friends and family, so hosting Airbnb guests fits me perfectly. Plus, the earnings make it possible for me to keep my house.

Three years ago, I upgraded and furnished my loft apartment, and I advertised it as a fully furnished regular rental. Not one person came to see it. That's when I turned to Airbnb, which was such a joy that I then turned my guestroom into an Airbnb rental as well. Based on my experience and the reports of friends who have rental properties, it's hard to believe that Airbnb has stressed the regular rental market in Saint Paul.

My nextdoor neighbor runs a regular, registered Bed and Breakfast, and he reports his business had the best year ever last year. We help each other, sharing cleaning assistance and referring guests we can't accommodate. Obviously, having an Airbnb as a next door neighbor does not hurt his business. I've concluded that I serve guests who can't afford to stay at his place, which costs three times as much as mine.

When hotels, inns, and regular Bed and Breakfast establishments want to shut down Airbnb, or when taxi companies want to shut down Uber, it's like horsewhip and horseshoe establishments wanting to get rid of the horseless carriage. The new economy will go on, either under social guidance or under the radar. Municipalities are caught in the middle of this

enormous social change. Tread lightly. In solving a problem for the hotels, you may create a much bigger problem for the city.

I am passionate about Airbnb because it is more than a business to me. It is my doorway to the world. I now have good friends in Bengalore, Berlin, Boston, Beijing. They have been guests in my home. They have invited me to theirs. This is especially important to me because I suffer from a rare immune deficiency: dysgammaglobulinemia. I catch just about everybody's cold, and when I do I'm sick four to six weeks. An airplane cabin—in fact, any closed space packed with people—is dangerous for me. I love to travel, but I do it rarely and fearfully. Airbnb lets me stay connected while I'm at home.

I am not against regulation. However, if regulations make it necessary for me and others to stop hosting guests, many of us will have to leave our homes. If that becomes necessary, it would be tragic because our homes and guests enrich our lives and the life of this community. Please tread lightly.

Yours sincerely,

Anastasia (Tess) Galati, Ph.D.

651.210.6799

From:

Bondhus Lance < lancebondhus@outlook.com>

Sent:

Monday, June 05, 2017 12:40 PM

To:

Dadlez, Kady (CI-StPaul)

Subject:

VRAMN Comments for STR

Attachments:

ST Paul proposal - VRAMN.pdf

Dear Kady Dadlez and St Paul City Council,

We would again like to thank you for keeping us all involved and informed as we work together through the future regulations of Short Term Rentals in St Paul.

A number of us have conversed since the meeting on June 2nd, 2017 and we would like to reiterate our support for the VRAMN proposal attached. Here are the cliff notes highlighting the areas of most importance:

- We support taxation through the platforms and outside of the platforms.
- We support licensing verification through the platforms and outside of the platforms.
- We do not support Short Term Rentals falling under the commercial code.
- We do not support the proposal to limit the number of short term rentals in a multi-unit building to 50% or less.
- We Propose that Short Term Rentals be identified as a type of rental under the Fire Certificate of Occupancy and create educational requirements specific to Short Term Rentals.
- We are supportive of "tiering" these types of certificates as proposed by a speaker at the meeting.

Thank you

VRAMN

Vacation Rental Alliance of MN

To Whom It May Concern:

We, the Vacation Rental Alliance of Minnesota, have reviewed the most recent proposal from the city of St Paul as it relates to short term rentals. We have taken the safety and livability concerns into great consideration as well as St Paul's goal to be a place of economic vitality. We have also listened to the concerns over "Leveling the Playing Field" and have some feedback and proposals we would like to be taken into great consideration and hopefully implemented.

LICENSING:

We are very supportive of ensuring every short term rental property has the correct licensing and support the monitoring of licensing through the various platforms. We are supportive of collecting and remitting taxes via the platform or collecting via the platform and then remitting outside of the platform.

FIRE CERTIFICATE OF OCCUPANCY:

We understand and support short term rentals falling under the Fire Certificate of Occupancy guidelines.

ZONING:

The zoning recommendations are of our biggest concern and objection. We do not feel that there is enough supporting evidence showing that STR (short term rentals) have more of a commercial impact than 30+ day rentals and therefore we do not support identifying STR under the commercial code.

The current Fire Certificate of Occupancy does not define the number of days a home can be rented. By editing Sec. 40.04 to include specific requirements for less than 30 day rentals, we feel that this will identify STR as a type of rental and therefore legal.

We propose adding an additional education requirement specific to Short Term Rentals that covers taxation, safety, livability, insurance, etc. This could be in addition or as an alternative to the DSI landlord 101 course. We propose that every short term rental manager/owner would be required to take the version specific to Short Term Rentals. The education provider could be the city or a third party approved by the city. See Chart 1.1 for proposed change example

Chart 1.1		
Current	Proj	posed
Sec. 40.04 Certification process.	Sec (a)	c. 40.04 Certification process.
Buildings and occupancies requiring a fire	e certificate of occupancy.	Buildings and occupancies requiring a fire certificate of occupancy.
(1)		(1)
A building or portion thereof which is occupancy from the city's building occupant or major rehabilitation receive a fire certificate of occupants or equires.	official upon completion of shall simultaneously	A building or portion thereof which receives a certificate of occupancy from the city's building official upon completion of construction or major rehabilitation shall simultaneously receive a fire certificate of occupancy if their use or occupancy so requires. (2)
(2)		Buildings which have a change in use or occupancy and become
Buildings which have a change in u become subject to the fire certificate		subject to the fire certificate of occupancy requirement. (3)
requirement.		One- and two-family dwellings which have a change in status from owner occupied to non-owner occupied or rental.
One- and two-family dwellings whic from owner occupied to non-owner		(4)
(4) Commercial buildings and residenti current fire certificates of occupancy 2007 shall be subject to the ongoing fire certificate of occupancy. These fire certificates of occupancy and shinspection based on the date of the	al occupancies which have y on or after January 1, g requirement to maintain a buildings shall be issued hall be subject to periodic building's last complete	Commercial buildings and residential occupancies which have current fire certificates of occupancy on or after January 1, 2007 shall be subject to the ongoing requirement to maintain a fire certificate of occupancy. These buildings shall be issued fire certificates of occupancy and shall be subject to periodic inspection based on the date of the building's last complete fire certificate of occupancy inspection, subject to the terms of this chapter.
fire certificate of occupancy inspect this chapter.	tion, subject to the terms of	One- and two-unit rental dwellings which are currently registered and
One- and two-unit rental dwellings registered and rental properties und code on January 1, 2007 shall rece	der the requirements of this ive provisional fire	rental properties under the requirements of this code on January 1, 2007 shall receive provisional fire certificates of occupancy. These properties shall be issued fire certificates of occupancy upon the successful completion of a fire certificate of occupancy inspection. (6)
certificates of occupancy. These procertificates of occupancy upon the sire certificate of occupancy inspect (6)	successful completion of a ion.	A building which has been registered as a vacant building under chapter 43 of the Legislative Code that subsequently received a certificate of code compliance under <u>section 33.06</u> of the Legislative Code shall be issued a fire certificate of occupancy concurrently with
A building which has been registere under chapter 43 of the Legislative received a certificate of code complaints of the Legislative Code should be a second to the code of the Legislative Code should be a second to the code of the Legislative Code should be a second to the code of the Legislative Code should be a second to the code of the c	Code that subsequently liance under section (b)	
33.06 of the Legislative Code shall	ne issued a the certificate	Information and application. Owners of all buildings subject to the fire certificate occupancy requirement shall apply for a fire certificate of

of occupancy concurrently with the certificate of code compliance, if their use or occupancy so requires.

(b)

Information and application. Owners of all buildings subject to the fire certificate occupancy requirement shall apply for a fire certificate of occupancy. The application shall include, at a minimum, the following information:

(1)

A description of the building;

(2)

The name, address and twenty-four (24) hour telephone numbers of the owner(s);

(3)

The name, address and telephone numbers of the property manager(s) or responsible party;

(4)

An owner of a building used for residential occupancy who is applying for their first fire certificate of occupancy must complete the DSI landlord 101 course or have completed a similar program approved by the department of safety and inspections within the last two (2) years. The owner must submit with the application a certificate of attendance or a letter showing proof of attendance at the program or verification of enrollment at the next scheduled class. This requirement shall not apply to an owner who has a fire certificate of occupancy on another building used for residential occupancy; and

(5)

Additional property and property management-related information as will promote effective enforcement of this chapter.

occupancy. The application shall include, at a minimum, the following information:

(1)

A description of the building and its intended use: longer than 30 days, shorter than 30 days or combination of both.

(2)

The name, address and twenty-four (24) hour telephone numbers of the owner(s);

(3)

The name, address and telephone numbers of the property manager(s) or responsible party;

(4)

An owner of a building used for residential occupancy who is applying for their first fire certificate of occupancy must complete the following education requirements:

(4.1) For 30 day or longer term rentals, the DSI landlord 101 course or similar program approved by the department of safety and inspections must be completed within the last two (2) years. The owner must submit with the application a certificate of attendance or a letter showing proof of attendance at the program or verification of enrollment at the next scheduled class. This requirement shall not apply to an owner who has a fire certificate of occupancy on another building used for 30 day or longer lease term rental occupancy; or

(4.2)For less than 30 day term rentals, the Short Term Rental Management course or similar program approved by the department of safety and inspections must be completed within the last (2) years. The owner must submit with the application a certificate of attendance. This requirement shall not apply to an owner who has a fire certificate of occupancy on another building used for residential short term rental occupancy; and

(5)

Additional property and property management-related information as will promote effective enforcement of this chapter.

LEVEL PLAYING FIELD:

We realize that the above proposal does not address the goal of "Leveling the Playing Field". https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2366898 is a recent study conducted by Boston University School of

Management that finds STR have little impact on hotels and therefore are not considered direct competition. This study does not address Bed and Breakfasts. It appears that the Bed & Breakfast owners in St Paul have felt or fear that they could be negatively impacted by STR's.

Many Bed & Breakfasts around the state, country and world also advertise on the STR sites, including Airbnb, VRBO, etc. In that aspect, there is a level playing field as it relates to marketing and advertising.

This leaves the zoning code. In addition to the fact that we do not have documentation showing STR have any more of a commercial impact than 30+day rentals, the definition of a Bed & Breakfast is far different than a STR and they should be held to different standards. If the city and/or Bed and Breakfasts feel that there is a common playing field that is not even, we propose re-examining the current regulations for Bed and Breakfasts & determine if changes to those regulations would address those concerns.

STIFLING INNOVATION:

By identify STR under Commercial Zoning code with the regulations currently proposed, innovation in this new emerging market will certainly be stifled and in result, a negative impact to St Paul's economic vitality.

PROPOSED LANGUAGE:

While we are opposed to STR being identified as a commercial use, should the city move forward with the current proposal, we strongly suggest editing Sec. 65.645. Short term rental dwelling unit section a) & b).

Section a) current proposed language limits the number of units on a lot that can be used as STR. Considering that currently there are no restrictions as to the number of dwelling units per zoning lot that can be used for other rental purposes in zoning, we propose removing the limitation of 50% and instead setting the maximum at 4 units in Multi-unit buildings. This will allow 1-4 unit buildings to operate as STR in their entirety. There is not substantial research and documentation to suggest that limiting the number of STR units to 50% would have a more positive impact on a community than without a limit.

Section b) language appears to limit the use of STR exclusively to guests with stays less than 30 days only. The current STR that are in operation today have guests both under and over 30 day stays. We suggest editing that section to include all lengths of stay.

Chart 1.2

Current Proposal	VRAMN Proposal			
Sec. 65.645. Short term rental dwelling unit Reserved.	Sec. 65.645. Short term rental dwelling unit Reserved.			
A dwelling unit, or a portion of a dwelling unit, rented for a period of less than thirty (30) days.	A dwelling unit, or a portion of a dwelling unit, rented for a period of less than thirt (30) days.			
Standards and conditions:	Standards and conditions:			
(a) In RL – RT1 districts, there shall be no more than one (1) short term rental dwelling unit on a zoning lot. In other districts up to 50 percent of dwelling units, to a	(a) There shall be no more than (4) short term rental dwelling units on a zoning lot.			
maximum of four (4), in multi-unit buildings may be short term rental dwelling units.	(b) A short term rental dwelling unit shall not be open to the public, but shall be used exclusively by registered guests.			
(b) A short term rental dwelling unit shall not be open to the public, but shall be used exclusively by registered short term rental dwelling unit guests.	(c) No exterior identification sign of any kind shall be permitted.			
(c) No exterior identification sign of any kind shall be permitted.	(d) Total occupancy of a short term rental dwelling unit shall not exceed the definition			
(d) Total occupancy of a short term rental dwelling unit shall not exceed the definition of family in Section 60.207 allowed in a single housekeeping unit except that occupancy in excess of the definition of family may be permitted with a conditional use permit, on a case by case basis, for large one- and two-family dwellings on large	of family in Section 60.207 allowed in a single housekeeping unit except that occupancy in excess of the definition of family may be permitted with a conditional use permit, on a case by case basis, for large one- and two-family dwellings on large lots.			
lots.				

In closing, we appreciate your efforts to involve the hosts, the community and all of those impacted by new regulations as it relates to STR. As the current St Paul proposal stands, we feel that it runs the risk of stifling innovation by over-regulating in anticipation of adverse outcomes which may or may not occur. In drafting regulations, it is vitally important to distinguish between perceived and actual risk. The best regulations are based on empirical data and appropriate analysis, data which as a community we will acquire over time as issues arise. We sincerely hope that you will move forward on working with what we have proposed and value further discussions before final decisions are made.

Sincerely,

Vacation Rental Alliance of Minnesota

From:

Stacey Johnson <staceyjohnsoninteriors@yahoo.com>

Sent:

Monday, June 05, 2017 1:35 PM

To:

Dadlez, Kady (CI-StPaul)

Subject:

STR proposal

Attachments:

St. Paul Proposal - Short term vacation rentals (1).pdf

Hi Kady,

It was nice to meet you the other day at the hearing. I have attached a letter from the MN Vacation Rental Alliance to express my support in favor of what is outlined.

I also strongly agree that the zoning change to commercial is not necessary and to limit the number of units to 50% of total will not achieve what it is intended to. The triplex I own is already zoned multi-family and falls under the CO, making is legal to rent. I have 3-4 occasions every year where it is rented for longer than 30 days, and other times it is rented for less than 30 days. What the city is proposing doesn't take this fact into account and would have a negative financial effect.

I am quite sure if you asked my neighbors whether my property feels "commercial" to them they would have no idea what you are talking about, and would tell you that it blends seamlessly into the neighborhood and has great charm. There is less congestion on the street with the STR because most guests fly in and take Uber. If it was a long term rental a typical tenant/spouse would each have a car and park every day on the street. This seems counter to the commercial argument.

I hope you take this and all other items we've outlined into account and adopt a version of our proposed language.

Kindly, Stacey Johnson

Making the world more beautiful one room at a time.....

Stacey Johnson

From: Kahle, Paige <Paigekahle@edinarealty.com>

Sent: Monday, June 05, 2017 2:26 PM

To:Dadlez, Kady (CI-StPaul)Subject:STR Ruling in Saint Paul

Attachments: St. Paul Proposal - Short term vacation rentals (1).pdf

Importance: High

Hi Kady: I operate a STR in Saint Paul and support the attached that was drafted and presented by the Vacation Rental Alliance of Minnesota. I would support the 50% rule on properties that have 5+ units; however for properties with 4 units or less, this seems to be an onerous requirement as these properties are not considered commercial as it is currently defined by City code. Thank you for your consideration! Paige Kahle

Paige Kahle Coleman.Kahle.Realtors Edina Realty 651.308.2754 paigekahle@edinarealty.com colemankahle.edinarealty.com

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From:

Kris Ulmer <kris@paii.org>

Sent:

Monday, June 05, 2017 3:14 PM

To:

Dadlez, Kady (CI-StPaul); stay@corbanmanorinn.com

Subject:

Kris Ullmer at PAII sends Testimony. Please confirm receipt!

Attachments:

Saint Paul Planning Commission Testimony re STRs 6-2-17.pdf; Saint Paul Planning

Commission Testimony re STRs 6-2-17.docx

Hello Kady and Pam:

First - Kady, it was a pleasure meeting you, and I hope the party for your graduating triplets went fabulously!

Thank you for all of your work on the STR issue. The 'family' definition applied to STRs is a departure from the occupancy definitions applied to B&Bs and other lodging types. "Families" occupy long-term rentals while "tourists / guests / transients / travelers" occupy short term rentals. And, handing off the occupancy tax collection to Airbnb will result in far lower income than if the city collects directly from the hosts for 2 reasons: direct booking by repeat guests, and the city's inability to meaningfully audit for accuracy.

The Bed & Breakfast zoning / licensing certainly could be modified (for example, the breakfast requirement could be an option, the distance between B&Bs could be changed) and easily adapted for Short Term Rentals.

The STR hosts who testified seemed to be quite savvy; it is likely that they could easily qualify for a B&B license if they chose to do so or were required to do so. Nothing about their business would change except that the proper fees / taxes would be paid! And, that's a good thing.

I've attached a word doc and a pdf of my testimony, along with a few observations at the end (clearly identified as not my testimony).

If there is *anything* that I can do to assist you (samples of other STRs regulations around the country?), please ask!

Due to the 4:30 pm deadline, please confirm receipt! (I'm sending at 3:14 pm CST)

KRIS

Kris Ullmer, Executive Director - PAII Professional Association Innkeepers International kris@paii.org 715-921-2327 paii.org



DATE: June 5, 2017 (2:30 pm)

TO: Kady Dadlez, Senior City Planner, Planning & Economic Development

FROM: Kris Ullmer, Executive Director Professional Association Innkeepers International

RE: TESTIMONY Saint Paul Planning Commission Meeting, June 2, 2017

Madam Chairman and Commissioners:

I'm Kris Ullmer, (108 South Cleveland Street, Merrill WI 54452), the Executive Director of the Professional Association of Innkeepers International, and former innkeeper of a licensed Bed & Breakfast. I'm here to support the just and fair regulations for all types of lodging properties.

"Short Term Rental" and the "Sharing Economy" are simply new terms for the exchange of money for lodging.

By inventing these new terms – which do not appear in existing codes, regulations, or statutes – advertisers such as Airbnb and other mega websites con you into thinking this IS something new, and agencies / legislators such as yourselves spend hours and months doing studies and debating what to do.

The answer is simple: short term rentals are in private homes, just like Bed & Breakfasts. Short Term Rentals are in multi-family buildings, like apartments or hotels. The regulations that you have already debated and established for B&Bs and hotels logically apply to short term rentals. It is your responsibility to protect St. Paul's citizens, neighborhoods, guests, and support city services through just & fair regulations.

Back in February during the 'work group' conference call, we heard directly from Airbnb that they are not in the business of policing short term rentals. You have correctly concluded it is up to you to regulate and enforce directly with the hosts.

Every business works to make repeat customers. B&Bs and hotels encourage their guests to book directly with them for the best rate – and the innkeepers saves a 15-20% Expedia or other OTA booking fee. Airbnb hosts do the same – and their guests are even more motivated to book direct because that very guest will save a 9% booking fee. Cities and states that abdicate their responsibility to regulate and collect tax by turning it over to Airbnb, lose revenue when transactions skip the Airbnb pipeline. There is no such taxation loss when the responsibility is rightly placed on the B&B, hotel, or short term rental host.

Short Term Rental hosts will say the regulations shouldn't apply to them — we've already shown that they are in the lodging business. STR hosts will say the regulations are too strict — and they have a valid point. Any changes in regulations: the 1000 foot distance between B&B, or the cap on the number of rooms, or the number of guests per room — can be adjusted and must be applied uniformly, fairly, to all lodging options.

By ignoring the short term rental business, or giving them a free ride or a significantly reduced fare, you will kill the legitimate lodging businesses that now support the city services; it is happening all over the country.

THANK YOU.	

We heard experiences from a number of Airbnb hosts. It is interesting to note:

- 1. A 5-year 'SuperHost' stated that any funds that may come from regulations should go to make the city better. Isn't that what the present licensing / occupancy taxes already do?
- 2. More than one host cited the income earned from hosting enabled them to pay their mortgage. Isn't that what the income from a licensed B&B does?
- 3. More than one host cited the increased curb appeal of their properties and pride in their neighborhood, due to their Airbnb income. Isn't that what the income from a licensed B&B does?
- 4. Two hosts noted it is reasonable to have a proper business certificate (tier system), to be taxed, to notify neighbors and recommended taking the best practices and applying them to St. Paul. We applaud their reasoning; St. Paul's Bed & Breakfast licensing is scaled to the size of the property for example, a 1-room B&B is not subject to zoning.
- 5. No one chose to specifically address the 'proposed maximum number of guests in a short term rental dwelling unit' as proposed by the zoning code amendment. And for good reason: it is very complicated. The maximum number of adult guests is inversely proportionate to the number of adult residents; however the number of children permitted (lineal descendants, adopted or legally cared for and any domestic employees) is unlimited. Thus, "19 Kids and Counting" is an allowed scenario in a 'single housekeeping unit'. This is contrary to Bed & Breakfast and Hotel parameters which address maximum number of guests per room and square footage.

In conclusion, every Airbnb host in St. Paul could easily comply with the present lodging license requirements; they have simply chosen to operate illegally including evading the payment of occupancy taxes.

****** THE E	END *************
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From:

Carl Christensen <c.christensen.charpentier@gmail.com>

Sent:

Monday, June 05, 2017 3:56 PM

To:

Dadlez, Kady (CI-StPaul)

Subject:

Proposed regulation of short term rentals - revised

Hello again, Ms. Dadlez,

Sorry, I found a mistake in my previous email. Please substitute the following:

I own a home in St. Paul and have lived here for a number of years. I have a few comments and questions regarding the proposed regulation of short term rentals.

I am happy to see the relatively unrestrictive nature of the proposed regulations, especially in view of the fact that short term rentals have been taking place in St. Paul for some time with neither law enforcement nor DSI reporting any particular problems. I am less clear on what informs the decision to limit the number of short term rental units per building/lot in the way proposed. What problems are expected to be mitigated by limiting the number of short term rentals to 50% of the total number of units? Unless I missed it, the St Paul short term rental study does not directly addresses the effect of theses limitations on potential problems. Using the "Issues or Concerns" list in a memo from Dan Bremmer II summarizing the January 19, 2017 Listening Session as a guide, here are a few questions:

Traffic congestion on local street systems: According to AirDNA.com, a site that tracks and reports on Air BnB bookings, the average occupancy rate for St. Paul Air BnB rentals is approximately 50%. Since I believe the proposed occupancy limits and parking requirements are based on long term rental limits and requirements, wouldn't having more short term units tend to alleviate congestion?

Bad guests/safety issues/ "stranger danger": As mentioned above, short term rentals have not proven to pose any safety or nuisance issues in St. Paul to date. Would allowing more units have an impact on this? Is there any evidence that short term renters are more dangerous or less trustworthy than long term renters (or anyone else, for that matter)? Short term rental platforms are driven by the ability of guests and hosts to review each other. Bad guests and hosts are quickly exposed and ultimately eliminated from participation. Such instances appear to be extremely rare. In an incident reported by KARE 11 News in which a Minneapolis host had her apartment "trashed" by guests, Air BnB contributed that such incidents occur only once in every 41,000 rentals. If problems were frequent in rentals, platforms would not so readily offer insurance to hosts and pay for damages, as Air BnB did in this case. If the fear of potential public safety issues among residents is a factor in limiting the number of units and if, as it appears, there is no foundation for such fears, does that mean residents have more of a right to be protected from groundless fears than property owners have to rent their properties to whomever they see fit, provided they abide by health and safety standards that are identical for both rental types?

Creating economic uses in predominantly residential areas: I'm struggling to understand how a rental becomes more of an "economic use" of a property by virtue of the length of a renter's stay. As far as I am aware, the downside of economic uses in residential areas include things that create a less pleasant residential experience, such as increased traffic and noise, signage and so forth. From the outside, short term rentals are virtually identical to long term rentals and because they are not likely to be occupied as a frequently as long-term rentals, are likely to create a decrease in traffic and crowding.

Regulation and licensing of platforms is the first step in generating tax revenue from short term rentals and a step in the direction of addressing unfair competition issues. Other than those mentioned above, what issues contribute to the decision to limit the number of units per property that can be used for short term rentals? I assume that I'm overlooking something because it seems unlikely that the city would choose to limit a new source of revenue without good reason.

Thank you for considering my comments.

City of St. Paul Planning Commission
June 2, 2017 Short-Term Rental, Public Hearing

Pam and Cory Biladeau Corban Manor Inn~Bed and Breakfast 96 Virginia Street St. Paul, MN 55102

Madam Chair and Commissioners, my husband Cory and I are residents of Saint Paul, as well as licensed Bed and Breakfast owners; and want to thank the Planning Commission for the opportunity to speak.

Based on a study conducted by the city of Saint Paul, there are approximately 250+ unlicensed rental properties, which the city has deemed "illegal" rentals. We applaud the city officials for recognizing this, and agree with their designation. We are here in support of the Department of Safety & Inspection's mission of: "To preserve and improve the quality of life in Saint Paul by protecting and promoting public health and safety for all."

We absolutely love Saint Paul and are both personally and financially committed to the health and safety of our neighborhood. While we are not able to make a living from our licensed Bed and Breakfast (BnB), we do feel that it provides a wonderful amenity to the neighborhood.

It is unclear what short-term rentals (STRs) offer that is different from what is alreadyS being provided by the licensed lodging industry—and the need for creating the proposed language. In fact, the current laws offer several tiered licensing levels.

- 1) Federal Laws already allow for STRs during large events like the Super Bowl, where home owners can rent up to 15 days a year tax-free--thereafter they are considered a business.
- 2) For those 'that want to make a little extra money," renting one bedroom is a very easy process and does not even require a CUP; nor is it expensive.
- 3) Renting more than one bedroom has a larger impact on a residential neighborhood and currently requires a CUP process so residents have input on businesses opening next door.
- 4) There is also an option to request a variance.

The only real difference in the proposed language, compared to the current laws, is that it will allow residential neighborhoods to unabatedly become business districts without input from neighbors living next to a hotel.

GAPS IN THE PROPOSED LANGUAGE

The proposed language also requires licensing on-line rental platforms (ex. Airbnb). However, even if the city is successful in creating a contract with Airbnb (and the other 15 or so on-line short-term rental platforms) to share information about who is renting; this will not capture the tax revenues for those guests who connect with hosts and rent directly (allowing both guests and hosts to avoid the 3-18% fees charged by on-line platforms). It also seems unrealistic that it will be possible to create an agreement with ALL rental platforms.

FAMILY OCCUPANCY DEFINITION

We strongly urge the council to <u>not</u> approve the proposed language; but rather decide what is truly different about STRs and adjust language. Our observation is that the proposed language redefines lodging rentals as <u>residential lodging</u>, rather than a business. The justification is that <u>if</u> rooms are being rented in a residential home, they are somehow not a business and fall under "Family Definition".

*Note: Family Occupancy definition does not limit the number of guests or guest rooms--Think "19 Children and counting"! Although we are told that the family definition can only be four adults—this is a misnomer, and omission, of what this language really means; because in addition to the four adults, it allows their grown children, their grown children and their children. HOW CAN THIS POSSIBLY BE REGULATED?

There is an argument that STR traffic would be the same as if a family lived in the home. The difference is that our neighbors know the people that they are inviting into their home and I can't think of a single neighbor that have guests every night, or even very frequently.

If this will not be considered we ask the proposed language not be passed without addressing the following:

- 1) Not approving the family occupancy definition* (which would be <u>impossible to regulate</u>), but instead quantify the number of guest rooms and number of occupants for each bedroom based on square footage.
 - 1a) Define the exact number of guests allowed per home based on parking and other congestion issues.
 - 1b) Block large investment groups from destabilizing a neighborhood with transient properties.

What recourse do neighbors have to complain about increased traffic associated with this type of business lodging? Our concern is that there will be no recourse for the residents because the STRs will be in "compliance" and there are very few restriction. We are concerned this will put the city in the position of not being able to do anything because "they are in compliance".*

FAIR PLAYING FIELD

The proposed language is not simply an unfair playing field--<u>it is unjust.</u> We made our business plan based on current licensing laws, permitted use and zoning (which requires licensed BnBs to be 1,000 feet apart).

The reality is that most of the licensed BnB owners in St. Paul work other jobs or have retired and have supplemental income. Current BnBs are limited to four guest rooms because residential neighborhoods are not intended for large lodging enterprises. The lodging industry states it takes at least ten guest rooms to make enough money to adequately serve as a primary income. If we needed more money we would have chosen a different business model we would have chosen a different location (i.e., business district).

We believe the city has an obligation to protect their residents and uphold the current lodging laws, permitted uses, zoning. While STRs are a business, they have not been, nor will be held to the same standards in the proposed language as licensed lodging businesses. We love our neighborhood and St. Paul—we are proud to share and showcase its, beauty, history and unique character with visitors. We

do not believe it is in the best interest of our residents and visitors to lower the current regulatory standards, licensing requirements, permitted use or zoning.

Short-term rentals are <u>nothing</u> new! The only thing new about the "new economy" is that it is an underground economy where laws, permitted uses, and zoning are blatantly not followed--most don't follow employment laws, pay the 10.625% taxes, fees, or buy business insurance. We were literally laughed at by STR owners who simply couldn't figure out why we followed the law!!! We explained, that we thought it was the bedrock of society and that it was illegal to not follow the law. Even with this explanation, they couldn't understand because they couldn't imagine regulators will be able to make them comply.

Case studies show that lowering standards achieves minimal compliance. For example, prior to the settlement agreement, San Francisco had required hosts to "register" with the city, however only 2100 of the 8000+ had done so. Other cities such as Charlotte NC have had a similar experience.

Furthermore, one STR owner in a public meeting said that she didn't care what the city decided, she was going to continue to rent out her five bedrooms.

We object to the unjust and disproportionate advantages being given to unlicensed STRs—we have been held to the highest interpretation of laws while going through the CUP process, paid 10.625% lodging and related taxes, business insurance, ordinances and employment laws—that were without distinction of our small size! It appears from past actions, and based on the lack of success by others states, that even when regulatory standards are lowered, or removed, many STRs will be unwilling to follow the laws.

Therefore, we are for the same opportunity to make a living as in the proposed STR language by automatically grandfathering the following language for currently licensed bed and breakfasts:

- 1) Increasing the number of bed rooms from four to ten (including accessory buildings).
- 2) Allow residential parking to be clearly designated as residential for code compliance (rather than commercial requirements).
- 3) Allow unlimited numbers of employee hires.
- 4) Continue to designate BnBs as residential for code compliance.

PROOF THE PROPOSED LANUGAGE IS NOT NEEDED

We have heard many emotional statements about the benefits of short-term rentals. Each and every one of these arguments can be answered by asking the question: WHAT DOES THIS HAVE TO DO WITH NOT FOLLOWING THE LAW? Since, licensed BnB owners have the same concerns and provide the same lodging services as unlicensed STRs, these "I can't follow the law because" arguments just don't hold up and consist of everything from:

- I'm not following the law because: I couldn't afford my current house I have if I followed the law.
- I'm not following the law because: I want to be free to do the type of work I want to do.
- I'm not following the law because: I need the money.
- I'm not following the law because: I should be able to do what I want with my home. (Try opening a liquor store in your bedroom.)

- I'm not following the law because: I have health issues.
- I'm not following the law because: I already pay property taxes on my home. (It's not a business.)
- I'm not following the law because: I support visitors to spend money in the area.
- I'm not following the law because: I serve as ambassadors to visitors, especially those from other countries.
- I'm not following the law because: I offer a unique experience from hotels (so do licensed BnBs).
- I'm not following the law because: I keep my yard picked up, mowed, house painted and make improvements. (Seriously, you're using the threat of not following yet another law as a bargaining chip as to why you are not following the lodging laws?)
- I'm not following the law because: Summit University has a lot of money and we don't. (Really? Many of the residents bought their homes in the 70's and fought to create the beautiful neighborhood we have today. Interestingly many of the STR who have testified own homes that are more expensive than ours!)
- I'm not following the law because: I didn't save money (because in another business, and I followed employment laws and paid employees well.)
- I'm not following the law because: STR traffic would be the same as if a family lived in the home. (The real difference is that our neighbors know the people that they are inviting into their home and I can't think of a single neighbor that has different guests or a party every night, or even very frequently.)

MULTI-PROPERTY INVESTMENT GROUPS

We are concerned about the non-owner occupied, multi-property STRS:

- Multi-property owners make up six percent of the hosts on Airbnb, but bring in 40 percent of Airbnb's revenue. In other words, a lot of the hosts on Airbnb and other rental platforms are large multi-property investors.
- Members of the Vacation Rental Alliance of Minnesota have a \$15,000.00 "International Service Provider Membership". (Compared to Minnesota Bed and Breakfast Association whose maximum membership is \$700 for members with 50 rooms or more). This is not your "just trying to make a little extra money" group.

CONCLUSION

We ask the city to please consider using the current licensing laws, permitted use and zoning--with the exception of allowing an option to not serve breakfasts.

Thank you for your consideration of these requests and opportunity to give input.

June 5th, 2017

Regarding: Short Term Rentals in the City of St. Paul To Whom It May Concern:

Hello, I'm writing today, as a 20+ year owner of a duplex regarding the proposed changes/concerns to short term rentals in St. Paul, and as an enthusiastic proponent of short-term rentals.

I have read the Short Term Rental Study prepared by Kady Dadlez, and I am all for licensing, inspections and paying our fair share of taxes but I would like to strongly urge the City of St. Paul to allow 100% short-term rentals in buildings up to 4 units. I currently only rent out one side of my duplex on a short-term basis but would like to have the option to rent out both units on a short-term basis, should we decide to do that. It has been a very successful business model and, I believe, it's been beneficial for the City of St. Paul too.

Since 1995, my husband, Rudolf Bachofner, and I have owned and occupied our duplex in the Summit Hill neighborhood of St. Paul. We have continuously rented out one side of our duplex since 1995. We have always treated this rental property as a business, and filed and paid all applicable taxes on the rental income, including sales tax.

From 1995 until 2014 we had long-term renters with a minimum rental period of not less than one year. Having been landlords for more than 20 years, we've experienced the full gamut of renters so I believe we are qualified to note the pros and cons of long-term vs. short term rentals.

Starting in 2014, we began renting on a more short-term basis, utilizing VRBO.com. It has been a wonderful experience for us, both financially, and, more importantly, in terms of wear and tear on our property: much less! For me, as a long time Realtor, it's been a great, complimentary business model and I take it very seriously, it's not a hobby. Please see our reviews: https://www.vrbo.com/3671319ha

The vast majority of our guests are 50+ years old, retired and visiting St. Paul to spend time with their adult children and grandchildren. The other, small percentage of guests are parents attending various events at Macalester or other colleges in the area. It's rare that we get guests who just happen to be flying into St. Paul as random tourists. Our guests are quiet, respectful, follow our house rules and **spend a lot of money** while in St. Paul dining and shopping on Grand Avenue. They all love it here!

Long-term vs. Short-term: There are definitely pro's and cons to both models. Having experienced both long-term and short-term rentals, I absolutely prefer the short-term rental model. It is a considerable time commitment and expenses are much higher than with long-term renters, but the relative lack of wear and tear with our short-term renters plus the flexibility of rental periods make it a superior choice for us.

We hope that the City will decide to allow 100% rentals in buildings up to 4 units.

Thank you for your consideration.
Elizabeth Day
1188/1190 Lincoln Avenue
St. Paul, MN 55105
eday@centurylink.net or 612-790-6022

From:

Jane McGrath <mcgrath.jane.50@gmail.com>

Sent:

Monday, June 05, 2017 4:27 PM

To:

Dadlez, Kady (CI-StPaul)

Subject:

Short term rental & Zoning amendments

Kady,

A few comments/considerations for the short term planning work.

Background - I live and own a duplex at 599/601 Portland Ave for over 25 years. I have always rented out one unit in the duplex, usually to long term, as short as 1 year, as long as 15, during this time. I am looking to do vacation/visitor rental for a couple of reasons, but the primary reason is to introduce visitors from around the country and the world to my great neighborhood and town. Ever since I moved to St. Paul, over 30 years ago, I have been in love with St. Paul. I have introduced visitors, friends, and outside guests to my city and always have suggestions on where to go and what to do. Offering my home as a base for those visitors makes it even more personal and will allow me to promote my neighborhood commerce.

Thoughts:

- Zoning It does not make sense to change current residential property to commercial zoning when these have always been residential rental/owner properties. I think it could open up a different type of commercial use that my neighbors would not appreciate when I leave.
- Inspections I think it would be appropriate for any rental property to be inspected.
- Neighbors I have personally spoken with neighbors around my property and they have given positive feedback, including making suggestions on how to promote the rental.
- Short term rental the duration of the rental appears to be somewhat arbitrary. If I have 3 tenants that move out within 30 days does that make it a "short term rental." On the other hand if I have a tenant/renter who wants to stay for 3 months, what does that make the property?

I understand the need to monitor rental properties and appreciate your work on this topic.

Thank you, Jane McGrath June 5, 2017

City of Saint Paul Planning Commission,

My husband and I attended the planning commission meeting June 2d. We did not speak but listened to the information presented by those who did. Thank you for the opportunity to submit our thoughts in writing.

We have owned and lived in our duplex at 1449-51 Ashland Ave for more than 40 years. We rented out the first floor unit for most of those years, but eventually decided we no longer wanted to have long term tenants. After a period of vacancy we put the unit on Airbnb and now prefer short term rentals. Our guests are either visiting family such as a Macalester student or elderly parents, or are event goers (Celtic dance competitions, college reunions, conventions, etc.). St. Paul has no hotels or motels near the central colleges and so short term rentals fill an unmet need. Our guests can invite their college students over for a home-cooked meal...not possible in a hotel or motel.

Because of the nature of their visits our guests generally spend their days away and come back to sleep. They are here for only a few days. They arrive in one car; long term tenants always had at least 2 cars. Guests are respectful of the property. Damage is virtually non-existent compared with that by even well-meaning long term tenants who spend significantly more time on the property.

We inspect the property after each guest and make any necessary repairs, a luxury we did not have with long term tenants. Our goal is to improve the property in some small way between every guest. The house, outside and in, is in better shape now than ever. All of our guests have given us 5-star reviews and that is important to us.

Someday we will likely get a "bad" guest, but the stay will end in a few days, unlike a "bad" long term tenant who could annoy us and the neighbors for a year. People who object to short term rentals because they have no say over who will be next door may be forgetting that they have no say over who will be long term tenants. We have rental property on either side of us and so have barking dogs and smokers as neighbors, neither of which is allowed in most short term rentals.

We would like to comment on just 2 regulations being considered:

- We agree that owner-occupied properties should be subject to fewer regulations.
 - -This is our home and we are on the property while guests are here.
 - -Guests with bad behavior in mind will not choose an owner-occupied property.
 - -We will decline a guest with poor reviews.
 - -The safety of our guests is our safety too. We have smoke and carbon monoxide detectors, good locks on windows and doors, outdoor motion lights, etc.
 - -Our property, as are almost all Airbnb properties, is smoke-free.
 - -Owner-occupied duplexes are already exempt from most city inspection and licensing regulations.

• Taxes should be assessed, collected from the guest and remitted to the city not by the host but by Airbnb and several other short term rental platforms as is done in Los Angeles. Hosts complete a monthly guest income form for the city which can then be mailed or submitted electronically. A copy of the front page of the form is attached.

Respectfully submitted,

Kimball Foster and David Schreiber 1451 Ashland Ave. St. Paul MN 55104



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