

## Submitted by Monica Kirk, Unincorporated Lincoln County

“Short-term vacation rentals (STRs) are rentals for 30 days or less. Within the last decade, STRs have exploded as a substitute for (or even a preferred option to) traditional lodging, like hotel rooms. The Industry is worth an estimated \$115 billion (Skift Travel, 2019), and STRs total more than 10% of the traditional US hotel room supply (CBRE, 2020). In rural and suburban areas, the ratio of STRs to hotel rooms increases substantially. This explosion is attributed to the ease of managing advertisements and bookings online through websites that offer a one-stop shop for millions of listings.” <https://granicus.com/dictionary/short-term-vacation-rental-compliance/>

### David v Goliath

The short-term rental industry has grown from ‘mom and pop’-owned and operated businesses to an Internet-based Service Firm (IBSF) Industry or “sharing economy.” The best-known IBSFs are Ride Shares (Uber/Lyft) and STRs (Airbnb).<sup>1</sup> In Lincoln County, the STR Industry is dominated by Meredith Lodging (22%)<sup>2</sup> and Vacasa (18%)<sup>3</sup>. These Internet-based Service Firms (IBSFs) make money by charging guests and Investors/Owners for short-term rental stays in private homes or apartments booked online. No face-to-face interaction is required.

The IBSF Industry comprises investors, developers, realtors, and property managers. From my experience, it seems to have an insatiable appetite that has gobbled up neighborhoods in Oregon’s large and small cities in unincorporated residential zones. It is now posed to insinuate itself into our farms and timber lands. Moreover, it is an industry known to fight reasonable regulation, including business licensing, that applies to all similarly situated businesses.

My testimony will show that the goals of the short-term vacation rental Industry are opposed to these values held closely by the Oregon voter, namely (1) **Local Control** and (2) **Workforce Housing**.

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<sup>1</sup> <https://www.thebalancemoney.com/what-is-the-sharing-economy-5188892>

<sup>2</sup> Meredith Lodging manages STRs along Central Oregon and the Oregon Coast. <https://www.meredithlodging.com>. Meredith Lodging is a property management company owned by Jon and his wife, Meredith Oksenholt. Jon Oksenholt is the CEO of Oksenholt Capital, Inc, a closely-held family corporation of investments and developments. The Oksenholt Company Motto is “Love, Loyalty, and Cash Flow” <https://oksenholtcapital.com>

<sup>3</sup><file:///Users/monicamkirk/Desktop/15n%20MIROCO%20STR%20ISSUES/Vacasa/Newport%20News%20Times%20%7C%20Vacasa%20launches%20real%20estate%20brokerage%20in%20Oregon.webarchive>

## **A Voter's View**

I am a voter. I do not live on farm or timber land.

However, based on my experience as a voter living in a residential zone in unincorporated Lincoln County, I believe you can extrapolate from the experiences I describe below to understand what your constituents can expect if SB 684 and SB 684 Amendment -1 pass and open up resource lands to this Industry.

Change happens quickly when there is profit to be made.

I first became aware of STRs in 2018 when I found my family sandwiched between two, each licensed for 11 people. One had been a long-term rental of a family consisting of a single mother, her mother, and four school-aged children attending Lincoln County schools. Unfortunately, they left the County, unable to find housing in the 4+ years since I have heard many similar stories.

I discovered that unincorporated Lincoln County Short-Term Vacation Rentals (STRs or VRDs) had been licensed since December 2016. The STR license includes the typical nuisance restrictions related to occupancy, noise, parking, and garbage and the requirement to license before operating as the Industry proposed in 2015. In December 2016, when the first STR business licensing ordinance passed, the Lincoln County Commissioners estimated fewer than 90 STRs. [However, in 2018, AirDNA estimated 995 STRs in unincorporated Lincoln, even after licensing regulations had been in effect for two years.<sup>4</sup> If this estimate is correct, most STRs in our unincorporated County were operated without licenses.]

By 2020, there were 601 licensed STRs.<sup>5</sup> Lincoln County Commissioners passed a temporary suspension (moratorium) of new licenses to allow staff (we are talking about just a couple of people in Lincoln County) to “undertake a comprehensive review of licensing standards, program operations, enforcement actions and full implementation of new provisions of the licensing program for short term rentals of residences (STRs), Lincoln County Code (LCC) Sections 4.405 through 4.460.” Among the issues facing the County were: How many STRs are operating, and what changes must be made to our program operations and enforcement to ensure all STRs are licensed?

## **So Much for Local Control: The Litigation**

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<sup>4</sup> Lincoln County Housing Plan (2019).

<sup>5</sup> In 2022, STR density in residential areas in Lincoln County ranged from a regional low of 5.6% to a regional high of 23.3%, according to the County. In 2017, STR density county-wide in Tillamook County was 7.25%. In 2018-2019, Tillamook County estimated the percentages of STRs in several unincorporated communities as ranging “from 18% in Pacific City/Woods to 10% in Netarts.”

In 2021, the Industry challenged local control of business licensing by filing the first of five (or is it now six?) lawsuits against Lincoln County, including a lawsuit challenging the temporary suspension (moratorium) of new licenses described in the paragraph above. Why? Because, in its legal view, operating a single-family home as a short-term rental, even though owners declare revenue, pay TLT, and require commercial business insurance, should be governed by land use law, not business licensing.

On February 24, 2023, an attorney representing Industry interests<sup>6</sup> notified Tillamook County that she “urges [Tillamook County] to reconsider” its temporary suspension (moratorium) to “study livability issues,’ in unincorporated areas, and make recommendations to ‘mitigate livability issues.’”

Sadly, neither voters<sup>7</sup> nor our County Commissioners realized what would happen once the cities in Lincoln County limited the number of licenses, but developers, realtors, and property managers did. Our neighbors began receiving unsolicited ads from the Industry, attached.

- Two realtors from two companies told me that their brokerages advise investors to “look at properties in unincorporated areas” because licenses have few restrictions and law enforcement is nonexistent. Laughing, one likened unincorporated Lincoln County to “the wild west” for the short-term vacation rental industry.
- In 2019, a third realtor told me that her brokerage receives more calls from out-of-state Investors looking for existing homes that can be licensed as STRs than from homeowners.
- In 2020, a fourth realtor told me she does not show homes in an unincorporated residential neighborhood because she understands the problems they cause. A resident of an unincorporated neighborhood herself described how long-term renters were evicted when their leases expired and the Owner entered the STR market. She told how it feels when there are more renters than full-time neighbors, and law enforcement does not respond to calls of loud, drunken parties of 14+ people in a two-bedroom STR licensed for 8, even when the problems are noise, public nudity, and parking.

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<sup>6</sup>One client is Cascadia Investment Properties Inc. Cascadia was incorporated in May 2021. [https://opencorporates.com/companies/us\\_or/182576091](https://opencorporates.com/companies/us_or/182576091)

<sup>7</sup> Recently, a high-turnout, heavily-advertised election in one rural Oregon county demonstrated a clear voter sentiment that licensing businesses in residential areas need to be heavily restricted and carefully managed. The voters recognized that the housing shortage for workers and families substantially negatively impacts developing or maintaining a diversified economy. The voters also have firsthand experience with the negative effects of noisy, high-traffic, lightly-staffed commercial businesses operating in residential family neighborhoods. In Lincoln County, almost 60% voted to prohibit licensing of new STRs and to gradually phase-out the licensing program over five years.

- In 2021, a fifth realtor told me that the Industry was out of control. He speculated that out-of-state Investors would be referred to residential rural or other remote areas that may become open to buying or building vacation rentals because the enforcement of the licensing law, if any, will be cost-prohibitive.
- In 2021, a well-known local broker told my friend (confidentially) that the brokerage has a nationwide clientele base. Their largest client's instruction is to buy every home on the market. In certain areas, the instruction is to pay any price.

Don't underestimate how quickly STRs will overtake the resource lands. Please don't assume that this Industry will consent to be licensed as the businesses they are. Without licensing authority, the county cannot require STRs on septic to limit their occupancy based on the size of their septic system or require inspections more frequently than single-family residences. In Lincoln County, almost 70% of the STRs are on septic systems. In the resource areas, 100% will be on septic. Lincoln County has one sanitarian.

## Housing

In Lincoln County, full-time resident voters<sup>8</sup> endure the brunt of STRs. Our volunteer firemen don't remain in unincorporated Lincoln County after completing three years of taxpayer-paid training because (1) housing is unaffordable and (2) Lincoln County is developing a 'resort' vibe and doesn't feel like a place they would like to raise their families. The Lincoln County Sheriff also has unfilled openings.<sup>9</sup> Opening STRs to resource lands will only exacerbate the existing problem of having enough first responders.<sup>10</sup>

Lack of workforce housing also impacts schools and medical services. For example, in the Summer of 2020, long-term housing demand was so high that (a) the Lincoln County Schools started the 2020 school year with almost 80 vacancies and (b) Samaritan Pacific Hospital placed an ad in the local newspaper asking residents to consider renting a room or sharing a house

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<sup>8</sup> In 2019, only 5% of the Investors were residents of Lincoln County.

<sup>9</sup> The Newport News-Times (August 3, 2022) quoted Sheriff Landers: "(N)ine currently active patrol deputies no longer respond to noise complaints (including barking dogs) when there are no animal services deputies on duty; camping complaints; civil disputes; home or business alarms; general welfare checks; or drug complaints that are based on personal amounts. Non-criminal traffic crashes will generally not receive deputy responses." Landers also said he doesn't know when his Office will resume its normal operation. [https://www.newportnewstimes.com/news/no-easy-fix-to-deputy-shortage/article\\_6b42eb2e-12be-11ed-8c70-5ff94aaae98f.html](https://www.newportnewstimes.com/news/no-easy-fix-to-deputy-shortage/article_6b42eb2e-12be-11ed-8c70-5ff94aaae98f.html)

KOIN news also reported on our problem: [www.youtube.com/watch?v=VWhNH9rdEts](http://www.youtube.com/watch?v=VWhNH9rdEts)

<sup>10</sup> The Fire Districts "call out" time are longer and attributed to STRs. In 2021 the medical transport service asked Lincoln County Commissioners to amend the response times in their Contract because they could not be met.

with new employees unable to find housing, noting that all of the employees had passed background checks before hired.

In 2019, County Commissioner Claire Hall testified in opposition to SB 621:

“One of the basic laws of economics is the law of supply and demand. In my county, between 30% and 40% of the residences are VRDs. In some coastal communities, that number reaches seventy percent. Without accessible and affordable housing, some places on the coast, in the Gorge and Central Oregon will become retreats for the wealthy with service workers being bussed in from distant locations.”

Housing stock and future housing development for families and our workforce are important issues locally and statewide. If SB 684 and -1 Amendment pass, **county governments' need for more resources will be exacerbated** when resource areas are opened to commercial activity.

I don't know enough to forecast property tax implications. I know that Oregon's Transient Lodging Tax (TLT) is of no help now (“it is a marginal contribution to our County budget”) and won't be if SB 684 and -1 Amendment pass. Suppose the resource areas are opened to STRs. Will the County be pressured to permit new housing developments because they know the Industry will continue to fight any government regulation licensing these residential dwellings as vacation rentals?

## **Conclusion**

**Local governments do not have the staff or funding to manage the profoundly negative quality of life impacts of commercial business operations such as vacation rentals** in residential neighborhoods, let alone in a farm, forest, or mixed farm forest zone. Local governments still need to manage the profoundly negative quality of life impacts of commercial business operations in residential neighborhoods. They will require *significantly* more staff and funding to manage this Industry in the resource areas.

The voters of Lincoln County have firsthand experience with the negative impact of underregulated commercial businesses operating in residential family neighborhoods and the inability of the local government to manage them. This is why almost 60% of the voters in Lincoln County passed a Ballot Measure to change STR regulation in 2021.

**SB 689 and -1 Amendment serve only the interests of the ISBFs.** Opening resource lands to this Industry will dramatically change the rural character of farm and timber lands forever. It will not increase workforce housing. It will draw even more tourists to a business model that refuses to be reasonably regulated. It will intensify the pressure on local government by voters to “do something” to deal with these mini-motels in resource areas.

Some larger counties can accommodate this pressure, but not mine.

Chantelle Charpentier  
PO BOX 922  
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Earn more, worry less, rent with ease.**

Renting out a vacation home has become increasingly challenging over the last decade. The process for getting consistent bookings and managing rates has become more complex— not to mention the rapidly increasing guest expectations for an incredible experience. This is what we do best!

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👉 **The partnership with Vacasa has been a blessing. It has enabled my wife and I to transition these real estate investments to the passive category, where they belong. They are now rewarding, enjoyable, and profitable. I highly recommend working with Vacasa.**

— Dan and Stacy S., Breckenridge, CO

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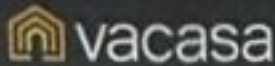
With Vacasa, your home gets booked more often— not only in the peak season, but also in the off-season. If you currently rent your home through another management company, **we guarantee a net increase of \$5,000 in your first year**. And if you're currently self-managing, **we guarantee that you'll make just as much with Vacasa**, even after our management fee. In either case, if we fail to meet the guarantee, we'll refund the difference, up to the full amount of our management fee.

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High visibility on top booking channels such as Airbnb, VRBO, HomeAway, TripAdvisor and more



Local staff of property managers, housekeeping and maintenance



Professional listings with high quality HDR Photography, 3D Virtual Tours and proven copywriting



24/7 guest and owner support—from booking to checkout and all the times in-between



Industry-leading rate optimization with machine-learning pricing technology



Hotel-quality housekeeping, supplemented by seasonal deep cleans

Switching to Vacasa means less work for you. Our local team performs full-service property management to keep your home in tip-top shape. You get the following services, for one simple management fee.

#### Revenue Building

- ✓ High visibility on top booking channels such as HomeAway, Booking.com, VRBO, Airbnb and many more
- ✓ Machine-learning rate optimization
- ✓ Targeted marketing across Google, other search engines and social media
- ✓ HDR photography
- ✓ Immersive 3D tours
- ✓ Professional copywriting

#### Home and Guest Care

- ✓ Local staff of property managers and housekeepers
- ✓ Hotel-quality housekeeping
- ✓ 24/7 guest support
- ✓ Propane refills, BBQ cleaning, trash pickup and more
- ✓ Lock box and keys
- ✓ Guest payment and credit card processing

#### Owner Benefits

- ✓ Specialized onboarding team
- ✓ No long-term contracts
- ✓ 24/7 support
- ✓ Collection of state and local sales and occupancy taxes
- ✓ Assistance with permits and licensing (when applicable)
- ✓ Unlimited owner holds

\*\$5,000 guarantee applicable only if your property is currently being managed by another vacation property management company. Other terms and conditions apply.



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Is your property being managed by the best property management company in the Northwest? Do they have the most sophisticated software in the industry marketing your property on over 85 different channels getting you more bookings? Do they use electronic door locks with different codes for every guest and cleaner to ensure security of your home? Do they cover cleaning, linens, and light maintenance free of charge? Do they only charge a 25% management fee?

If the answer to any of these questions was no, take 5 minutes and give us a call, we would love to help you with a better level of service for your vacation rental!

With the change of the season upon us, it is a great time to do a satisfaction evaluation on your current Rental Management Company. Do these comments sound familiar:

- "I pay too high of a management percentage."
- "They charge me for cleanings and linens."
- "When I do speak to someone, it is an employee, not a decision maker."
- "My monthly statements are full of surprises."
- "I am being nickel and dimed every month with maintenance charges."
- "My rental calendar isn't what I expected or need to cover my expenses."

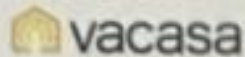
If any of these comments resonate with you, I would like the opportunity to speak with you about how **iTrip Vacations** is different from your current management company. Our boutique level of service, attention to your property, and most sophisticated technology in the industry is unparalleled.

**We 100% guarantee we will generate more net income for you than your current management company and are willing to put that in writing! We are that confident!**  
(Certain terms and conditions apply - please contact us for more details.)

Please give us a call at 503-230-0534 or email us: [ryan@trip.net](mailto:ryan@trip.net) or [corey@itrip.net](mailto:corey@itrip.net)

**Make more money, have better security, boutique level of service!**

Sincerely,  
Ryan Tigner & Corey Tigner  
Owners of iTrip Vacations Northwest



Have you considered selling your home in Depoe Bay?

As Vacasa's demand for vacation rentals in Depoe Bay is stronger than ever, we are currently working with numerous buyers that are looking to invest in Depoe Bay. The revenue potential of your home on Rocky Creek Ave make it exactly the type of property vacation rental investors are willing to pay a premium for.

We realize that the highest offer won't always come from an investment oriented buyer, and that's why we also list every home we sell on the MLS. This combined approach- marketing it through the traditional channels like Realtor.com and Zillow as well as to vacation rental buyers- helps ensure a quick sale at the highest possible price.

Whether you're ready to sell now, or if it's just something you're considering, we're here to help you easily navigate the process. Let me know if you'd like a market analysis of what your home would sell for, or if you'd like to better understand the vacation rental potential.

Very Best,

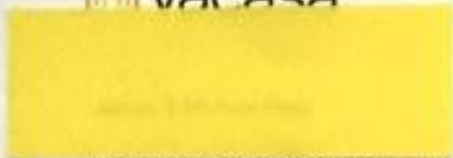
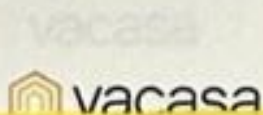
*Taj Richardson*

Taj Richardson  
Principal Broker  
(888) 686-5469  
taj.richardson@vacasa.com

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Just as you own a second home in Depoe Bay, my family has a vacation home on the Washington Coast. We didn't use it much, and when we did, it was a lot of work. Enjoying it was nearly impossible, as maintenance and projects would pile up between visits, waiting for us each time we returned. Time and money spent on upkeep was high, and the number of visits were dwindling.

So about eight years ago, we started renting our house to other vacationers. Initially, we interviewed property managers to keep our efforts to a minimum, but we were underwhelmed. We decided to "rent by owner." And while our home was modest, we earned thousands more than the local professionals had projected.

Based on our success, I started Vacasa: a full-service property management company that does things differently.

With a foundation of marketing and analytics, Vacasa can book homes for more, which affords us the ability to hire top local talent to care for our properties in every market we serve.

And while Vacasa may not be the cheapest management company, our net results to homeowners are the best in the industry—and we guarantee it! Our general premise is simple: homeowners should earn more before we earn anything.

**The Vacasa Guarantee\***

If you currently rent your home through another management company, **we guarantee a net increase of \$5,000 in your first year.** And if you're currently self-managing, **we guarantee that you'll make just as much with Vacasa,** even after our management fee. In either case, if we fail to meet the guarantee, we'll refund the difference, up to the full amount of our management fee.

Our approach has proven tremendously successful. In less than a decade, we've grown from caring for my family's home to managing over 10,000 homes, and from having two employees to over 1,900. We're the largest vacation rental management company nationwide.

\*Terms and conditions apply

(Over, please)

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