

# **Opinion: Endless benefits to VHRs in SLT**

**To the community,**

My name is Jerry Williams. I am a 36-year local resident, husband, father, grandfather, Realtor and property manager in South Lake Tahoe. I wanted to take a moment to address the prevailing, negative, and detrimental sentiments that currently surround vacation home rentals (VHRs) in our community.

We, who live here, reside among homes that are VHRs, and that has been a reality long before the city officially incorporated some 51 years ago.

In the recent past, vacation home rentals have become the most polarizing issue in our community. My goal in writing this letter is to request and encourage that City Council and staff share with the public the many benefits VHRs provide to this community.

The No. 1 industry in South Lake Tahoe today is tourism. VHRs provide accommodations for visitors. The popularity and demand for VHRs and home sharing is being fueled by consumers looking for a vacation experience they can't get at a hotel.

## **Revenue**

According to the city, VHRs bring in one-third of the total TOT (transient occupancy tax) and TID (Tourist Improvement District) income. In 2015-16, total TOT was reported as \$2.5 million to \$2.9 million. TID revenue was \$470,000 for the same timeframe.

With roughly 1,150 VHRs (outside of tourist corridors), VHR permit fees have generated \$500,000-\$575,000 in revenue.

Add in application and inspection fees at \$545 and \$133 and/or \$80 per application, that's another \$718,750-\$779,700 deposited into city coffers for fiscal year 2015-16.

Where does all of this money go? Most of it is funneled into the city's General Fund, which provides for our city's infrastructure – vital services such as:

- Police and fire protection
- Street maintenance ... including snow removal!
- Parks and recreation
- General administration

The city multiplier suggests that all of those TOT dollars translate to \$20 million (again approximately one-third) going into the local economy, once ancillary businesses are paid (management, maintenance, cleaning, etc); they pay their employees' wages, employees spend money on groceries and gas – and it goes on and on.

Local businesses benefit with more visitors spending money at:

- Restaurants and bars
- Rental companies – boats, Wave Runners, kayaks, paddl boards, skis, boots, poles, bicycles and more
- Retail stores and shops – large and small,
- Grocery stores, supplies, etc.

## **Employment**

There are jobs, jobs, and more jobs – directly and indirectly to VHRs and the visitors they bring:

Direct employment:

- Housekeeping
- Laundry and linen services
- Maintenance and handy people
- Snow removal services
- Reservations

- Office administrative staff
- IT people and marketing specialist
- Licensed contractors
- Plumbing and heating
- Electricians
- Landscapers
- Paving and excavators

Indirect impact on jobs and local employers:

These employees and business owners are directly impacted by the money spent by VHR guests:

- Restaurants and bars – managers, servers, bartenders, dishwashers
- Rental companies – sales people, attendants for boats, Wave Runners, kayaks, paddleboards, skis/boards, boots, poles, bicycles and more
- Retail stores and shops, large and small
- Grocery stores – management, checkers, stockers, customer service.

These local employees then spend money at virtually every business in town; such as hardware stores, auto parts stores, grocery stores, local shops, mini marts, gas stations, bars and restaurants, and that list goes on and on. These local residents – whether they own or rent their home – pay taxes, they have children in our schools, they visit doctors, dentists and emergency clinics, etc. Now we could list all of the people that work in those places.

In February 2016, the council adopted a new Recreation Master Plan. Bravo to the council for something that is much anticipated and will be an absolutely fantastic addition to our community.

In November 2016, Measure P was passed. This was a 2 percent increase in TOT that is to be utilized specifically for this new recreation complex. This is potentially millions each year

that will go toward building and maintaining the complex. More jobs and more revenue. And VHRs, contributing one-third of the total TOT, are a huge contributor to this wonderful benefit for residents and visitors alike.

VHRs are not without their own set of concerns and issues, to be sure. I fully support efforts to address problems, increase enforcement, and continue to work toward finding solutions so that the city is empowered and able to effectively resolve our local residents' issues and concerns. However, concerns seem to be really the only component of VHRs that is ever highlighted or discussed.

In conclusion, this is a request to council, and staff, when VHRs are a topic of discussion – on the agenda, when staff reports are compiled, posted on websites and presented at council meetings – the beneficial, positive, vital, impact and role that VHRs play in our community should be highlighted and emphasized, so that we all get a more balanced view.

**Jerry Williams, South Lake Tahoe**