

# CHELAN COUNTY PLANNING COMMISSION MINUTES

Chelan County Planning Commission Chelan County Community Development VIA ZOOM

Called to Order: 5:14 PM 316 Washington St Ste 301 Wenatchee, WA 98801 Date: June 17, 2020

# CALL TO ORDER

Meeting was called to order at 5:14 pm.

### **COMMISSIONER PRESENT/ABSENT**

Greg Becker	Present	Carl Blum	Present
Randy Baldwin	Present	Vicki Malloy	Present
Ryan Kelso	Present	Jim Newberry	Absent
Jordan McDevitt	Present	Pat Hammersmith	Present
James Wiggs	Present		

#### STAFF PRESENT

Jim Brown, Director Deanna Walter, Interim Assistant Director RJ Lott, Planner II Lynn Machado, Administrative Supervisor Wendy Lane, Permit Clerk Lisa Ogle, Permit Clerk

#### PUBLIC PRESENT

ZOOM MEETING

#### **BUSINESS:**

Chairman Ryan Kelso asked the Planning Commission members if all had read the minutes from the May 27, 2020 meeting.

#### **MOTION:**

Motion made by Commissioner Jordan McDevitt, second by Commissioner Randy Baldwin to approve the minutes from the May 27, 2020 meeting.

Vote - Unanimous

Motion passes

Minutes for the June 3, 2020 meeting were held for edits, corrections to be presented at the next regular meeting.

# PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA

No Comments

# **NEW BUSINESS:**

# Public Hearing for the Code Development of Short Term Vacation Rentals (STR)

Chairman Ryan Kelso opened the public testimony and listed the ground rules and expectations, including the 2 minute time limit.

All comments should be addressed to the Hearing Body, please do not repeat testimony. Hearing will end promptly at 9:00 pm regardless of whether or not all participants have had an opportunity to speak. All submitted written testimony is already admitted into the record.

## PUBLIC TESTIMONY

**Zelda Holgate** – owns Natapoc Lodging in Plain, have been involved in discussions since 2017 – disheartened at the process. Do not feel it has been a fair and impartial process.

**Jeff Janssen** – 9840 E Leavenworth Road – dealt with the overburden of illegal STRs. Too many vehicles, port-a-potties, request no grandfathered permits, no transfers on sales – majority of STRs have been illegally operating for years and should not be rewarded with grandfathered permits. Remember the county's goal of separating incompatible uses

Sean Lynn – 217 Cascade St – own Love Leavenworth Vacation Rentals. We went from something workable last year to something that will detrimentally affect our livelihood. The goal of the BoCC was to curtail the prolific increase in vacation rentals, not to reduce the number of them. Identified BERK study numbers and asked about side effects

**Pat Thirlby** – 1210 Dempsey Road – Comp Plan statement protect residential neighborhoods from incompatible land uses – quoted section of Comp plan applicable to the incompatibility of STRs in residential neighborhoods – slow the proliferation. She feels that the PC is showing concern for STR investments, but not a lot of concern for the residents that have to live here. Adverse effects are already here.

**Rick Thirlby** – Dempsey Road – Chelan County is not unique and effective solutions are available and already implemented elsewhere. Host Compliance has 250 clients in other areas with similar demographics. Good platform to assist jurisdictions. Lack of ability to enforce them should not be an excuse to allow them to continue.

**Bruce Williams** – 8050 E Leavenworth Rd – bought in 2001 and read the code before purchasing the property. I am a lawyer and am appalled by the memo from STRACC and the legal threats. B&B and Guest Inns are permitted, but with onsite owner occupation.

**Kirvil Skinnerland** – 510 Dempsey Rd – STRs are not in the best interest of the County. Asking to turn back the tide and give the residential neighborhoods back to the residents that reside year round. She discussed tiered approach and pitfalls. The ordinance has good elements but is selling out the residents in favor of a small minority, many of which are not even residents of this County.

**Barbara Rossing** – 7785 East Leavenworth Rd. - do not grandfather the non-owner occupied vacation rentals. We need to separate the incompatible uses. They should be allowed in some zones but protect the residential areas – don't make our areas "sacrifice" zones. The 5% cap will be meaningless if they are grandfathered. Listen to the voices of 2000 residents that want protection of their neighborhoods.

**Hernan Savastano** – 8787 Icicle Road – opposed to new regulations. He bought large 7000 sf home which was designed and built to host large gatherings. Occupancy limit would render hardship. We should be grandfathered in. Regulations would severely impact our livelihood moving forward. He believes it is a false narrative that STRs are illegal. County has support tourism backed by case law that STRs are legal.

**Lauri Malmquist** – not anti-short term rentals. To me it is where they are located and that they are commercial endeavors that should not be in residential areas. There are on site owners that seem to be respectful of the neighborhoods. We have zoning codes and should abide by them. We chose the rural lifestyle and don't want to live in an area over run by commercial STRs.

**Maureen O'Deal-Mitchell** – 24201 Morgan St – a ten year resident of Ponderosa near Plain, the wild west of STRs where growth without oversight has been the norm. Character and safety of my neighborhood has changed drastically. Break-ins have been increasing, spreading, disrupting the flow of water, loud parties and building fires during burn bans. These STRs are taking over the ability of people to live in the area where they work.

**Jerry Jennings** – 87 Louise Lane, Plain – last 21 years have watched the neighborhood deteriorate due to STRs. She states that it is time for the PC and BoCC to stand up for the residents in this County. Unless owner occupied, tier 1, ban the STRs.

Sloane Schubert – opposed to absentee STRs

**Carmen Bagdon** – 1128 Dempsey Rd – I am a long term renter in Leavenworth. Within 100 feet we have an absentee owner rented to strangers year round and I have to hear them, in my yard, in my face every day. They should not be grandfathered. Our neighborhood has multiple STRs with absentee owners that are incompatible with the neighborhood

**Chris Clark** – 9281 Icicle Road – since 1983 and moved here to start a tourist business. About 5 years ago there was explosive growth. Lack of paring that impacted local neighborhoods. Traffic backed up on highway. Harder to shop local and get around. The count went from 59 to 868 and they are mostly nightly rentals. Neighbors are moving away because of the STRs and are being bought by more STRs. We chose to live in residential zones. They are running businesses in residential areas

**Gregory Steeber** – 12512 Wilson St – over 30 years – asking why members of PC are asking how they can protect the investment of the STR owners instead of asking how our own residents can protect their investments by not allowing these STRs. Chelan County should be enforcing the codes that do not allow commercial businesses to operate in residential areas. Tier 1 owner occupied rentals may be OK, but not absentee owners

**Mike Pirotto** – Lake Wenatchee fire and rescue firefighter and EMT speaking on their behalf – speaking on fire safety – recommendation: provide renters of evacuation routes, written explanation of 3 evacuation warnings, and information as to where they can get emergency information

**Amy Carlson** – Dempsey Road regarding nightly rentals on this hillside. Not designed for this many cars and in winter the county doesn't plow it. Why are we making ourselves more vulnerable? I've been hit twice by cars sliding down this road. Pointed out that there is a fire and winter driving hazards.

**Mike Stanford** – I've submitted written testimony a couple of times. Thanks the Board for their time **Steve Keene** – 8237 Riverview Rd in Peshastin – letter from Peshastin Community Council read a letter into the record – residential areas should be kept residential.

**Brian Shugrue** - 10300 Suncrest Dr. – 12 years running Bed and Breakfast. Tier 1 is not the problem. The only thing that will help with the problem properties are regulations. Neighboring property was fully occupied during COVID 19 prohibition. We need to make sure we are able to enforce the regulations.

**Stan Winters**- 8200 Riverview Road Peshastin – commercial STRs were not listed in the 3 zones because they would not protect the tranquility of the neighborhood. There are two sides – the commercial endeavors and the local residents, the people that live here and work here and don't want STRs in the residential areas. Wont' surrender our neighborhoods.

**Vonda Bridges** – 380 Dempsey Rd – opposed to large STRs that are swallowing our quality of life **Tracie Smith** – 305 Tumwater Dr., Leavenworth – too many absentee owner rentals and they have led to a shortage in long term housing for the residents. Vacation rentals impact the character of the neighborhood and impact housing stock. There were only 12 homes under 500K, and only 2 homes available for long term rent, but 72 STRs. Which is more important the STRs or the residents?

**Reava Davis** – 8211 Lynn St Peshastin – empathizes with a lot of the people living next to the party houses. I currently own two vacation rentals. I don't live in a Beaver Cleaver neighborhood. My neighbors fight and host large parties. I have access and control to my own STRs. Property managers should be managing the problem properties. Not that many true complaints – as the sheriff. We need to keep community going based on tourism. We need STRs that are managed well

**Kathy and Steve Harada** – I own a condo STR at 575 Alpine Place. The reason Leavenworth is thriving is because the housing and rentals are available. If you can't get a STR, the tourists will not come and it will become a dead logging town. Call the police if there are issues; that are what they are for. I appreciate the PC work to date.

**Steve Marks** -21304 Stetson Rd - concerned about testimony about bad renters and I just don't see it. The vast majority of the renters are families. These rentals support the local economy. They bring a lot of revenue to our economy

**Steve Williams** – 21611 Primitive Park Road, Ponderosa and also use it as an STR. Closely monitored and there are a couple of STRs in the vicinity. They need to be managed by the authorities not by additional regulations. He is concerned about marking home as STR would open up possibility of break-ins.

**Crystal Davis** – Primitive Park Road – most of the neighbors have each other's contact information and it works well. Without the STRs the businesses will not be able to stay open and be sustainable

**Gro Bauer** – 850 East Leavenworth Rd – in past the county has given preference to STRs vs the residents. He lives in a RR2.5 neighborhood with a great neighborhood of 30 families. In past 20 years more STRs have kept up, one sleeping 16 people. Many negative events and those that live here have to deal with them. Some behaviors are dangerous. Nightly rentals without onsite owners have no business being in the neighborhoods and they don't benefit anyone but the owners

**Nathan Newell** – 8885 Stage Road is location of vacation rental. If regulations go through we will lose our business. We told CD when we built the home with the intent of renting it out. A vocal minority of Activists complained to BoCC. As we looked at the regulations, it is cost prohibitive. The majority are the opponents, not the supporters of the regulations

**Kendall Newell** – 8885 Stage Road – if proposed code is adopted our family will go bankrupt. They met with neighbors prior to building in 2014 and CD and commissioners. The cost to meet requirements would be cost prohibitive. We should be grandfathered in under the code in which they first started in

their business. The typical complaints should be addressed by the Sheriff. There should be in-area oversight

**Summit Newell** – 8885 Stage Rd – mom and dad will lose our business if these regulations are implemented. Used example of leaving dog at home without the bar collar on. County is not enforcing current laws. Target and ticket the offenders, not hard working people like my parents.

**Eve Newell** – 8885 Stage Road – reducing the number of STRs is bad business. Vacation rentals bring about 60M into our community. STR guests spent 40M with 17M spent on labor to support these endeavors. STRs make rates more competitive and more accessible to normal families.

**Fara Newell** – 8885 Stage Road – my parents own Leavenworth Lodge. Restrictions will cripple our family business. The County knew what our plans were. The 10 person cap would cripple this business and our guests sign a contract to not create issues. Not right to punish a business with a perfect record. **Robert Wilbur** – It should not be an us vs. them situation – this is a community problem. I live on Whidbey Island and have owned an STR since 2003 and have only had one issue. STR owners and residents want the same thing – respectful renters. There should be a limit but not to punish the existing ones. Hitting the reset button is not the answer.

**Joshua Fletcher** – 9630 Embroden Road, Leavenworth – systems are already in place to deal with nuisances. We need to respond to those. People who have invested a large part of their livelihood and have taken care of their property are getting hit with the nuances of new regulations. This is giving tools to people who just don't want other people around. STRs are a property right.

**Tracie Furrer** – 8920 Canal Road (rental property) & 8785 Canal road (our home) – you still haven't come to the table with the STR owners. Your regulations still don't address the existing regulations that can be enforced by sheriff. We all pay taxes that go directly to the county. Because we are next door, we are not a tier one but could manage it just find

**Mara Bohman** – 7840 E Leavenworth Road – STRs should only be allowed in residential areas only when the owner is on-site. Density must be reduced by not allowing transfers upon sale, and only allowing one per owner. Why are PC members concerned about real estate investments of out of area owners and not the well-being of local residents?

**Jennifer Moraski** – 75 Bjork Creek Lane – bought property 2.5 years ago as a STR to supplement our income. Previous owner was a vacation owner and we live in a tourist area and we need to encourage the tourism. Request no new regulations.

**Kevin Nasr** – 18853 Alpine Acres Rd – bought it in 2004 and is a vacation rental. We have a management company that runs the rental for us. Leavenworth is a tourist town. By reducing STRs, you are reducing the revenue for the area. Problem homes need to be addressed through the managers, sheriff and owners. Please don't penalize all of the good STRs for a few bad ones. Also object of the limit on transfer, occupancy is too low, some should be grandfathered

**Heidi Stoller** – 4660 Brisky Canyon - I live in Cashmere and rent a few rooms in my house. My guests help our community with revenue. The proposed permit fee is almost prohibitive because I rent at such a low rate. The permit fee should be tiered also and we should have different standards than those renting the whole house with off-site owners.

**Tim Arnaud** – 2446 Salal Dr. Leavenworth – we use this as a vacation rental and a source of charity events. The locals are employed by use to maintain our rental. We've never had a noise complaint. We are doing everything to maintain a respectful environment and respect of our neighbors. No conflicts. Don't punish the good STR owners. I empathize with those neighbors that have unpleasant rentals and neighbors.

**George Wilson** -15440 Cedar Brae Rd - non economic tolls this is taking on our neighborhoods. People come in and invest in the homes but not in the community. We are hearing people saying that we are losing our neighborhoods.

**Janice Turner** – 714 Cedar Street and have two nightly rentals in the Peshastin area. Our tenants enjoy their experience. It's a shame that a few bad rentals are giving the rest a black eye. The economy needs our help right now and housing starts are the base of that. Contactors and subs would all lose their jobs without housing. STRs provide living wages to workers and provide retirement income for the owners. Let's take care of the problem and not hurt the rest.

**Joni Fisher** – 117 Wels Ave Manson – this is a big issue in our area. We bought a home and use it as an STR with a management company. Our neighbors love us; we donate money to the community. I take exception to people thinking that we don't care – we are friends with our neighbors. The problems can be enforced without new regulations. This feels like an us vs. them situation. We want to be part of the community and are hardworking, good people that want to give back.

**Keith Wells** – 405 S First St Chelan – I'm an attorney and own several STRs. The proposed regulations are a wrecking ball. There is no demand to ban rentals – this is driven by a vocal minority. We have 144 clients that have rentals. Economic impact is overwhelming. Existing code provisions just need to be enforced. This process is being snuck in during COVID.

**Lesley Young** – 82 Eagle Place – owned it for 20 years and built as family vacation home and began renting about 6 years ago. We provide work for local residents that help us maintain it. There is also a management company. We have strict policies. We've supported local businesses. Leavenworth relies on the tourism. Limiting places to stay hurts the economy. We want to retain the charm of Leavenworth. Who are the responsible owners and who are not? We care even though we are absentee owners.

Cody Murdock – 12195 Emig Dr., Leavenworth – concerning Leavenworth UGA.

**Karen Smith** – 17756 Chumstick Hwy Leavenworth – we plan to retire there but until then are renting our property as an STR and have been responsible with a management company. Enforce the existing laws instead of coming up with retroactive restrictions. States it is unfair to punish responsible owners. **Gord Whitaker** – 18365 17th PL NW, Shoreline, WA – focused on Zoom factor – not an efficient way to do business lending a problem with people being able to testify on either side. This is not an imminent issue that has to be resolved during COVID. My family has two businesses in Plain and in 1989 the STRs outnumbered residents

**Jordan Brown** – 81 Garmisch Lane - owner occupied STR that I own with my wife. We limit the occupants. My concerns are any limits that you may place on my existing STRs. Any limitations on transferring that would operate it in the same manner would harm us financially. He is concerned about statistics regarding Leavenworth. We show up in statistics as a whole house even though we are owner occupied.

**Kathy Blum** – 15 Helios Hills – she is representing the Manson Community Council as the Vice Chair. We oppose transfers. New owners can apply for a new permit to give everybody the same opportunity. Reference GMA – protect residential neighborhoods from incompatible land uses. Stop the saturation in the Chelan and Manson areas. We do welcome STRs in appropriate zones and areas.

**Kari Sorensen** – 34 Ford Street – Chairman of Manson Community Council. She has concerns about some of the definitions. Critical to close loopholes based on loose definitions. She believes it is inappropriate to transfer the license or permit. Let it ride out and sunset. Let new owner apply for the license on their own.

**Linda Rees** – 8491 icicle Road – we do have them in our neighborhood, some run well, some not. I live next to one that is not run well and have tried to coordinate with the owner. We have to leave our home at times to find quiet. I turned to my Commissioner because the property owner thought that the solution to the noise issue was that their tenants go inside and that I should close my window and he offered to buy me an air conditioner.

**Lauren Johnson** – 7785 E Leavenworth Rd – want to speak towards policy and idea about what a community should be. We have been only hearing about the economic impact. We should be looking at the policy of family life and being a part of the community. I keep hearing the economics. Use zoning instead of behavior for regulations. Explore micro zoning. Set up tourist zones where absentee owner STRs will be permitted. Hire host compliance to monitor the STR platforms

**Gerald Cutler** – 82 Eagle Pl Eagle Creek Road – concerns about data that was used and analysis that was performed and that they may have been influenced by anecdotal events. Make sure we are prescribing win-win solutions. Reinforce the current codes and then reevaluate what needs to really happen. Not just money data, but social data.

**Daniel Eby** -237 Timber Ridge Canyon - oppose new efforts for regulations because the STR industry has been supported for 29 years. In 2017, we asked BoCC to enforce the code. We want to be part of the solution but have not been included in any discussions. The passing of this code is ignoring the data when there is a problem; there is no enforcement of the current code. Try that first and let that show the way.

**Mary Pat Barton** – 611 Cedar St Leavenworth - CCC should be protecting all property owners and not allow loopholes and commercial businesses to destroy the neighborhoods. We are long time residences. The County has a responsibility to protect residents against these businesses and STRs. This should be a community – we need to act like it

**Kelly Kortman** – 9820 Eagle Creek Rd – I believe Zoom format is very difficult to do this hearing. I'm glad you aren't proposing to ban the STRs, and some of the regulations make sense. I have been renting my home and building my business and have built my financial security around this. I worked to create this. I don't' believe STRs are increasing property values – this is just a result of supply and demand. Angela Sucich – 8787 Icicle Road Leavenworth – we are an STR owner. Zoom hearing is not an open public forum. Member members don't have access to the internet. Regulations should not be passed until the hearings can be carried out in person. STRs are being singled out. Proposed restrictions would be a form of illegal taking. The new restrictions would rob us of our financial investment and diminish

my ability to provide for my family

**Tim Miller** -9558 E Leavenworth Rd - purchased as a vacation rental and for a second home. We have tried to enhance the neighborhood and have a caring property manager. I echo the comments about enforcing the existing rules on the books and not further impede owners with new regulations.

**Chris Moody** – 17336 Chumstick Hwy – he is a part time resident and not in favor of STR restrictions. He feels they would be discriminatory. We would not have been able to purchase the property without this potential. I believe some of the proponents are xenophobic using terms like "coasties" These are property owner rights

**Gabe Sartin** – 3009 Memory Lane Leavenworth - he is concern with the process. I have a property manager for my STR and have a lot of the same concerns as the opponents regarding having good tenants that behave. If we are concerned about septic issues we should be supporting countywide inspections. Caps should be left to local zoning and CC&Rs. Not an absentee owner, I am a member of the community

**Joan Zack** – 17510 River Road Plain – purchased in 1994 and CC told me I did not need a permit to operate a STR. My neighbors are supportive and we have relied on this income. My husband lost his

job and has been able to weather the unemployment because of this supplemental income. All my neighbors are supportive, I'm involved in the community and my guests spend a lot of money in the community.

**Jacke Young** – 5884 Mountain Lane road – I service the STR properties and if these properties cannot stay afloat, I will not have a business. I've been servicing these properties for 10 years. During the peak season we employ 7 additional people that live in this community. They also support the downtown businesses.

**Vladmir Steblina** - 4025 Birch Mountain Road Wenatchee – I own a vacation rental. You should take a good look at where vacation rentals should be allowed and take a look at the zoning. Self-certification is difficult because I have to compete with businesses that aren't paying taxes and carrying liability insurance

**Christine Russell** – 12246 Bretz Rd., Plain – she is part of a larger conglomerate of rental properties. We are not an absentee owner and hired a management agency to manage our property. STR tenants are responsible and enjoy the area. This is a tourism county, yet hotels can't allow for dogs and large groups. STRs provide a solution for what people are seeing.

Janet Berwick – 155 Snowshoe Lane – we are a STR owner and take care of ours. Our neighborhood is mostly non-residential. We monitor and have cameras. Mostly rent to families and offer an alternative to hotels and gatherings. Also allow pets. We've never had a complaint and have an HOA that is aware of the nightly rentals. Sounds like quite a few violations that just need to be enforced. Bob Fallon – 12275 Village View Dr., Leavenworth – against STRs in residential areas. We are talking about zoning and that is about keeping incompatible uses separate from the residential areas. Tier 2 and 3 level STRs are businesses and shouldn't be in the residential areas. Grandfathering is illogical, especially if they are illegal to begin with. CC has been remarkably derelict in enforcing its current codes

**Kelly Wagman** - 12685 Maple - it is our rental – we are a large location and do not live on site. We are within a 2 mile radius. Bought 13 years ago and understood we were able to use it as a STR. We met with our neighbors before we put this on the STR market. We speak to our neighbors frequently. We have not had any issues.

**Doug Klunder** – 12344 Bretz Rd. - it is my vacation rental. I live in Bellingham. Our property was built as a vacation rental. The houses are not built in the same way – no closets in the bedrooms, open loft, etc. People would not choose to live in it long term because it's not built that way. We have had no complaints that I am aware of, we have a property manager. Existing code should be enforced for those problem properties

**Jeff Bartee** – 75 Kamei Pl Manson – we use our home as a rental but live in the Seattle area. We couldn't afford to preserve this home without that STR revenue stream. We employ local people for the maintenance of the home. We are part of the community and I'm on the HOA board. We need to look at this in a more balanced fashion. We are not looking to sell it.

**Paul Rodgers** – 1916 Broadway Pl Wenatchee – I couldn't hear his comments – bad connection **Ron Christianson** – 20686 Miracle Mile Leavenworth –we have a STR have been vacationing in Leavenworth for 20 years. Renting a house is what worked for us as a family of 4. Home rental in the area is more suitable for families. If you are left to the hotel structure, the area will decline. This type of property gives the opportunity to be out in the country

**Brad Chitty** – 37 Lakeshore Manson – in favor of taking care of the codes that are in place and not introduce any more

**Vicki Christianson** – 20686 Miracle Mile - STR was what brought us to the area initially to support and enjoy the community. Have built a relationship with the neighbors and have a management company.

This shouldn't be an us vs. them. We all love the community and want to support the community. Just enforce the existing laws.

**Robert Whitten** – 18886 Pine Loop Road – a 25 year resident and own Plain Hardware. Our community has developed and improved. Really diverse and tourism and rentals is our only industry up here. We are economically healthier. The land owners here are the ones that usually behave poorly. Its our only industry and to have it severely restricted will hurt our economy and area

**Sharon Waters** -336 Burch St for 50 years - echo everything said about not wanting rentals in the residential zones. I'm speaking as a resident, not a city council member. We don't want to be pushed out as residents.

Public testimony ended at 9:00 pm.

Chairman Ryan Kelso reminded participants to have comments submitted to the CD Director email by end of day on Friday, June 19, 2020 at 5:00 pm, when the hearing will be closed.

Commissioner Carl Blum – before the next meeting we will figure out how to do this within the state guidelines.

Director Jim Brown - we have been in compliance and we are within the OPMA.

Commissioner Vicki Malloy – concerned because two people were not audible and is hoping the muting issue was not our end because so many people were not available.

Chairman Ryan Kelso – there will be no further testimony due to the time constraint. The PC will hold next meeting on June 24, 2020 at 7:00 pm where deliberation and a decision/recommendation will take place.

## **ADJOURNMENT**

## **MOTION:**

Motion made by Commissioner Carl Blum and seconded by Commissioner Jordan McDevitt to adjourn.

Vote – unanimous

Meeting Adjourned at 9:08 pm.

Next Planning Commission Meeting is on June 24,' 2020, at 7:00 pm – a Zoom meeting.

All Planning Commission meetings and hearings are open to the public.